

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.: 001-37703

IZEA WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

37-1530765

(I.R.S. Employer
Identification No.)

**1317 Edgewater Dr., # 1880,
Orlando, FL**

(Address of principal executive offices)

32804

(Zip Code)

Registrant's telephone number, including area code: **(407) 674-6911**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	IZEA	The Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-Accelerated Filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter) was \$53,250,872 based on the closing bid price of the registrant's common stock of \$0.90 per share on June 30, 2022 (the last trading day prior to the end of the registrant's most recently completed second fiscal quarter). All executive officers and directors of the registrant and all 10% or greater stockholders have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of March 24, 2023, there were 62,471,997 shares of our common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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PART I

Cautionary Note Regarding Forward-Looking Information

This Annual Report on Form 10-K (this “Annual Report”) contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this report, including those contained in Management’s Discussion and Analysis of Financial Condition and Results of Operations and the notes to our consolidated financial statements, particularly those that utilize terminology such as “may,” “will,” “would,” “can,” “could,” “continue,” “design,” “should,” “expects,” “aims,” “anticipates,” “estimates,” “believes,” “thinks,” “intends,” “likely,” “projects,” “plans,” “pursue,” “strategy” or “future,” “forecasts,” “goal,” or the negative of these words or other words or expressions of similar meaning, are forward-looking statements. Such statements are based on currently available operating, financial and competitive information, and are subject to inherent risks, uncertainties, and changes in circumstances that are difficult to predict and many of which are outside of our control. Future events and our actual results and financial condition may differ materially from those reflected in these forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause these differences include, but are not limited to, the following:

- adverse economic or market conditions may harm our business;
 - the impact of the Ukraine crisis and ramifications of sanctions against Russia;
 - customer cancellations;
 - any erroneous or inaccurate estimates or judgments relating to our critical accounting policies;
 - our ability to raise the additional funding needed to fund our business operation in the future;
 - our ability to satisfy the requirements for continued listing of our common stock on the Nasdaq Capital Market;
 - our ability to remediate the material weakness in our internal control over financial reporting and establish effective disclosure controls and procedures;
 - our ability to protect our intellectual property and other proprietary rights;
 - our ability to maintain and grow our business;
 - results of any future litigation and costs incurred in connection with any such litigation;
 - competition in the industry;
 - variability of operating results;
 - our ability to maintain and enhance our brand;
 - accuracy of tracking the number of user accounts;
 - any security breaches or other disruptions compromising our proprietary information and exposing us to liability;
 - our development and introduction of new products and services;
 - our reliance on, and compliance with, open-source software;
 - the successful integration of acquired companies, technologies, and assets into our portfolio of software and services;
 - marketing and other business development initiatives;
 - general government regulation;
 - dependence on key personnel;
 - the ability to attract, hire, and retain personnel who possess the technical skills and experience necessary to meet the service requirements of our customers;
 - the potential liability concerning actions taken by our existing and past employees;
 - any losses or issues we may encounter as a consequence of accepting or holding digital assets;
 - risks associated with doing business internationally; and
 - the other risks and uncertainties described in the Risk Factors section of this Annual Report.
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All forward-looking statements in this document are based on current expectations, intentions, and beliefs using information available to us as of the date of this Annual Report; we assume no obligation to update any forward-looking statements, except as required by law. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements.

ITEM 1 – BUSINESS

Our Mission

Our mission is to champion the world's creators by helping them monetize their content, creativity, and influence.

Corporate Information

IZEA Worldwide, Inc. (together with its wholly-owned subsidiaries, “we,” “us,” “our,” “IZEA,” or the “Company”) is a Nevada corporation that was founded in February 2006 under the name PayPerPost, Inc. and became a public company in May 2011. In January 2015, IZEA purchased all of the outstanding shares of capital stock of Ebyline, Inc. (“Ebyline”). In March 2016, we formed IZEA Canada, Inc., a wholly-owned subsidiary incorporated in Ontario, Canada, to provide sales and support for IZEA's Canadian customers. In July 2016, IZEA purchased all the outstanding shares of capital stock of ZenContent, Inc. (“ZenContent”) and, in July 2018, a subsidiary of the Company merged with TapInfluence, Inc. (“TapInfluence”). ZenContent, Ebyline, and TapInfluence were merged into IZEA in December 2017, December 2019, and December 2020, respectively.

Our Company is based in Orlando, Florida, but operates as a virtual-first company, with all of our employees working remotely since March 16, 2020.

Industry Background and Trends

When IZEA first launched PayPerPost in 2006, the concept of a brand paying bloggers to create sponsored content on their blogs was new and highly controversial among marketers and content creators. The idea was introduced by the Company when there were no ads on Facebook, YouTube, or Twitter, and social media was largely void of corporate marketing messages. Since then, the landscape has dramatically changed. Today, strategic engagement of online influencers is table stakes for modern brands - largely due to changes in consumer behavior and the large-scale adoption of social media platforms. Similarly, those same companies are now producing custom marketing content for their social channels and embracing influencer marketing as a means to reach their customers.

While industry research indicates that brand spending on influencer and content marketing has grown dramatically in the last several years, the business processes and practices have yet to evolve in a meaningful way for most buyers and sellers. The markets that we operate in are highly fragmented, highly competitive, and primarily limited by the current inefficiencies inherent in our space. Most marketers have been forced to utilize a variety of execution partners and manual processes to navigate the complicated landscape, often resulting in low returns on their time investment or, worse-yet, questionable results. We believe this is mainly due to marketers and creators lacking an efficient way to identify and engage each other in a marketplace of scale.

At the same time, influencers and content creators seeking to monetize their communities and work product face significant challenges in making marketers aware of their services and finding quality brands motivated to sponsor them. In addition, those creators with smaller followings need more individual influence and audience to warrant the processing of a micro-transaction. In many cases, it costs a marketer more money to issue a traditional check to a nano influencer than the value of the sponsorship payment itself. Further complicating the sponsorship process for both parties are federal regulations around social media endorsements, tax reporting generally applicable to anyone receiving income for services, and the associated campaign tracking required to provide compliance. While many marketers would prefer to be “part of the conversation,” we believe the complexity and cost of individual sponsorship often deter them from doing so.

We believe that addressing the current efficiency and measurable success challenges via technology represents a significant opportunity. IZEA ultimately addresses these challenges with targeted, scalable software solutions that aggregate content creators, while providing marketers with a variety of tools that dataset to help them make informed decisions. In doing so, we offer multiple efficient, innovative ways for creators and marketers of all sizes to find each other and form a compensated relationship.

By continually developing our creator network both directly and through talent partners, we make our company more attractive to our customers who seek a wide variety of creators to fulfill their content and advertising needs. As marketers utilize our software and services to a greater extent, we expect to increase the monetization opportunities for creators, which should, in turn, attract even more creators and further enhance value for our marketers.

Business

IZEA is a marketing technology company providing software and professional services that enable brands to collaborate and transact with the full spectrum of today's top social influencers and content creators. The Company is a champion for the growing creator economy, enabling individuals to monetize their content, creativity, and influence.

While most large brand marketers engage us to perform these services on their behalf, they may also use our software to engage creators for influencer marketing campaigns or to produce custom content on a self-service basis by licensing our technology. We create and operate online software services that connect marketers, including brands, agencies, and publishers, with content creators such as Instagram influencers, TikTok influencers, YouTube stars, designers, photographers, and writers ("creators") and provide marketers access to our industry expertise, data, and analytics.

Since 2014, our primary technology platform, the *IZEA Exchange* ("*IZEAx*"), has provided a unified ecosystem enabling the creation and publication of multiple types of content to be completed at scale. During 2022, we re-imagined our influencer marketing platform based on user feedback, announcing the initial rollout of *IZEA Flex* ("*Flex*") in September, and we announced the commercial launch of *Flex* in January 2023. *Flex*, which introduces end-to-end tracking of social commerce, enables brands to measure influencer impact on direct revenue at scale. The platform includes eight modules, each of which provide their own benefit to marketers as stand-alone tools, but enhance each other when used together. *Flex* is aggressively priced relative to our competitors in the market, and our strategy is to lead with price to value.

Influencer Marketing. We work with marketers to enable influencer marketing campaigns at scale. A subset of influencer marketing known as "Sponsored Social" is when a company compensates creators for sharing sponsored content with the creators' social network followers. This sponsored content is within the body of the content stream. We believe that we pioneered the concept of a marketplace for sponsorships on the social web in 2006 with the launch of our first platform, *PayPerPost*, and have focused on scaling our product and service offerings ever since.

Custom Content. We also work with marketers to augment or replace their content development efforts. Our network of creators produces editorial and marketing content that can be published online and offline. Our network of creators includes professional journalists, subject matter experts, bloggers, and everyday content creators, allowing our customers to produce content ranging from complex white papers to simple product descriptions. Many of our content customers use this service to create a steady stream of posts for their corporate blogs.

Software + Service. IZEA's flexible client engagement model appeals to agency and brand customers with various needs. We structure content and influencer marketing programs that align with our customer's goals, resources, and profiles. IZEA clients can hire our team for fully outsourced managed services, access our software to run their program, or engage us in a hybrid model that combines access to our software with collaborative execution.

Our Platforms

Flex. Building upon more than a decade and a half of experience in the influencer marketing industry, we announced the commercial launch of our next-generation influencer marketing platform in January 2023. *Flex*, which will supplant *IZEAx* in 2023, is a platform with flexibility as a core tenet, allowing marketers to use any combination of independent applications as they see fit. The result is a comprehensive suite of tools that, individually, supercharge influencer marketing efforts and become even more powerful when combined. *Flex* offers eight core modules: *Discover*, *ContentMine*, *ShareMonitor*, *Integrations*, *Tracking Links*, *Contacts*, *Transactions*, and *Campaigns*.

Flex introduces end-to-end tracking of social commerce, allowing marketers to easily measure the impact of individual influencers on e-commerce revenue at scale, and integrates key functions of *The Creator Marketplace* on IZEA.com. Modules in *Flex* include:

- *Discover*, which allows marketers to search through content from millions of influencer social profiles while filtering across channels, demographics, and interests;
 - *ContentMine*, a content management tool that collects and measures influencer content, providing real-time insights and A.I. content analysis from *BrandGraph*;
 - *ShareMonitor*, a multi-platform social monitoring tool that allows marketers to monitor hashtags, keywords, and brand mentions across leading social platforms;
 - *Integrations* provides deep integrations such as with Google Analytics and Shopify, providing marketers the capability to track influencer campaign metrics such as time on site, engagement, and revenue;
 - *Tracking Links* provides real-time tracking metrics for influencer marketing and can track customer conversions, spend, and purchases when used with other *Flex* modules;
-

- *Contacts* provides the ability to create custom contact lists that span the creator ecosystem, including influencers, agents, and legal representation; smart lists use demographic information to automatically group creator contacts;
- *Transactions* makes sending creator payments faster and at a lower cost, providing searchable transaction data; and
- *Campaigns* provides the foundation to build campaigns, organize and find creators, content, and insights to inform influencer marketing strategies.

Marketplace. In October 2022, we launched *The Creator Marketplace (Marketplace)* on IZEA.com, which provides powerful tools for creators to showcase their social handles, as well as the brands and topics they post about, and enables marketers to easily search and filter creator listings that meet the requirements of their influencer marketing campaigns, including creator specific predictive audience demographics. *Marketplace* features include *Casting Calls* which enable marketers and creators to connect and collaborate; marketers use *Casting Calls* to solicit creators for everything from influencing campaigns to full-time employment; creators respond directly to *Casting Calls* with video and text responses.

IZEAx. The platform is designed to provide a unified ecosystem that enables the creation and publication of multiple types of custom content through our creators' websites, blogs, and social media channels, including, among others, Twitter, Facebook, YouTube, Twitch, and Instagram. We use *IZEAx* to manage influencer marketing campaigns on behalf of our marketers; our marketers also use the platform as a self-service tool and as a licensed white-label product. *IZEAx* will be sunset during 2023, replaced and supplemented by *Flex*. In January of 2023 we stopped accepting new contracts for *IZEAx*. Current customers can transition their license to *Flex*, or will be able to receive a refund for the remainder of their license when *IZEAx* is officially shut down.

BrandGraph. *BrandGraph* is a social media intelligence platform that offers marketers an analysis of share-of-voice, engagement benchmarking, category spending estimates, influencer identification, and sentiment analysis. The platform maps the complex hierarchy of corporation-to-brand relationships by category, associates social content with brands aggregates, and analyzes content data to provide insights for marketers across their competitive landscapes. *BrandGraph* is heavily integrated with *IZEAx*, and both platforms rely heavily on data from each other, but it is also available as a stand-alone platform. We plan to sunset *BrandGraph* as a standalone application later in 2023 as its toolset is incorporated into both *Flex* and *Marketplace*. Marketers will be able to access many of *BrandGraph's* features through *Flex* and *Marketplace*.

Legacy Platform

Shake. In November 2020, we launched *Shake*, an online marketplace where buyers could quickly and easily hire creators of all types for influencer marketing, photography, design, and other digital services. The *Shake* platform, aimed at digital creators seeking freelance "gig" work, enabled creators to list available "Shakes" and marketers to select and purchase creative packages through a streamlined chat experience, assisted by *ShakeBot* - a proprietary artificial intelligence assistant. *Shake* was sunset in October 2022 in conjunction with the launch of *Marketplace*, which replaces and improves upon *Shake's* functionality.

Sales and Marketing

We primarily sell influencer marketing and custom content campaigns through our client development team and platforms. We target regional, national, and global brands and advertising agencies in the following ways:

Client Development Team. Our client development team is assigned a geographic region or specific markets, primarily within the U.S., Canada, and China. Team members are responsible for identifying and managing sales opportunities to brands and agencies seeking to outsource some or all of the planning and production of their content and advertising needs.

SaaS Sales Team. The SaaS Sale team initiates SaaS license opportunities with brands and agencies who seek to utilize additional functionality on our platforms on a self-service basis to facilitate custom content and influencer campaigns. This team was eliminated in 2022 with the addition of *Flex* and *Marketplace*.

Self-Service. *Flex*, *Marketplace*, and *IZEAx* offerings are tailored to smaller marketing customers that want to use our software to identify, engage, measure, and pay influencers on their own. Our software offerings are designed to be self-service, with no outbound sales team. Marketing customers can sign up with a credit card and begin using the platform.

Industry Acumen. Our team possesses strong marketing and advertising background. We focus our corporate marketing efforts on increasing brand awareness, communicating each of our platform advantages, generating qualified leads for our sales team, growing our creator network, and driving self-service sign-ups to our platforms. Our corporate marketing plan is designed to continually elevate awareness of our brand and generate demand for our software and services. We rely on a growing number of channels in this area, including third-party social media platforms (e.g., Meta and YouTube), paid search engine marketing, content marketing, influencer marketing, and virtual events.

Customers and Revenue

Historically, we have generated revenue from four primary sources: (1) revenue from our managed services when a marketer (typically a brand, agency, or partner) pays us to provide custom content, influencer marketing, amplification, or other campaign management services (“Managed Services”); (2) revenue from fees charged to software customers on their marketplace spend within our platforms (“Marketplace Spend Fees”); (3) revenue from license and subscription fees charged to access the *IZEAx* and *BrandGraph* platforms (“License Fees”); and (4) revenue derived from other fees such as inactivity fees, early cash-out fees, and other miscellaneous fees charged to users of our platforms (“Other Fees”).

Beginning in 2023, as we phase out *IZEAx*, our emphasis is to drive marketer and creator adoption and grow license fee revenues, in part by replacing fees associated with marketplace spend with basic transaction fees designed to cover costs. We believe that by providing a stronger toolset and lower transaction costs, we will attract more licensees. License Fee revenues will be primarily driven by *Flex* and *Marketplace*. *BrandGraph* and *IZEAx* tools are being repurposed into *Flex* and *Marketplace* during 2023.

As discussed in more detail within “Critical Accounting Policies and Use of Estimates” under “Note 1. Company and Summary of Significant Accounting Policies,” under Part I, Item 7 herein, revenue from Marketplace Spend Fees is reported on a net basis. Revenue from all other sources, including Managed Services, License Fees, and Other Fees, are reported on a gross basis. We further categorize these sources into two primary groups: (1) Managed Services and (2) SaaS Services, which includes revenue from Marketplace Spend Fees, License Fees, and Other Fees.

We provide services to customers in multiple industry segments, including consumer products, retail/e-tail, lifestyle, technology, and travel. Our business serves advertising and public relations agencies, brands, and companies directly. In many cases, influencer marketing dollars flow through the advertising or public relations agency, even when we have a direct relationship with the brand.

We generate the majority of our revenue from our Managed Services customers. Managed Services accounted for approximately 96% and 94% of our revenue during the twelve months ended December 31, 2022, and 2021, respectively. SaaS Services accounted for approximately 4% and 6% of our revenue during the twelve months ended December 31, 2022, and 2021, respectively.

Changes in how we control and manage our platforms, contractual terms, business practices, or other changes in accounting standards or interpretations may change our revenue reporting. See “Note 1. Summary of Significant Accounting Policies,” under Part II, Item 8 of this Annual Report for more information as it relates to our revenue recognition policies.

The majority of our customers are located in the United States (“U.S.”). We had one customer that accounted for 29% of our revenue during the twelve months ended December 31, 2022, and one customer that accounted for 14% of our revenue during the twelve months ended December 31, 2021.

Technology

Our technology platforms span multiple social networks and digital creative services. We aggregate creators in our platforms, which allows us to create scale and choice for marketers. We provide the ability to find and collaborate with our creators based on a variety of software rules, filters, and data enrichment. Our self-service platforms service all business types and sizes, ranging from Fortune 500 customers to small agencies and brands. We provide trackable results for influencer marketing campaigns through tracking links and support for third-party tracking platforms. *IZEAx* technology includes content monitoring, dashboards for real-time reporting, and digital asset management.

Privacy and Security

We are committed to protecting the personal privacy of our marketers and creators. Any personal information that we collect is processed in compliance with privacy laws (discussed below, under “Government Regulation”), and we believe that we employ reasonable and appropriate administrative, physical, and technical safeguards to protect personal information.

Product Development

Our product development team is responsible for platform and infrastructure development, application development, user interface, application design, enterprise connectivity, Internet applications and design, quality assurance, documentation, and release management. Among our core strengths is our knowledge of and experience in launching and operating scalable content and influencer marketing marketplaces. Our product development expenses include salaries, bonuses, stock-based compensation, employee benefit costs, and miscellaneous departmental costs related to our development team, along with hosting and software subscription costs, and are included in general and administrative expenses.

We announced that our primary product platform, *IZEAx*, which was originally launched in March 2014, is being replaced by *Flex* in early 2023. We launched *Marketplace* in November 2022, replacing *Shake* and adding additional functionality. We will continue to add new features and additional functionality to the *Flex* and *Marketplace* platforms in 2023.

Competition

We face competition from multiple companies in the influencer and content marketing categories. Direct and indirect competitors in the influencer marketing space include Meta, TikTok, YouTube, Linqia, and Upfluence. We also face competition in the creator economy from companies such as Fiverr and Upwork. In addition, there are many traditional advertising agencies, public relations firms, and niche consultancies that provide content development and conduct manual influencer outreach programs.

Competition could result in significant price pressure, declining margins, and reductions in our revenue. As more companies have entered the influencer marketing space, it has driven down the price points for influencer marketing software. We have seen this impact our licensing fees over the past several years, and it has caused us to change our pricing strategy for software services. In addition, as we continue our efforts to expand the scope of our services with *Flex* and *Marketplace* we may compete with a greater number of other companies across an increasing range of different services, including in vertical markets where competitors may have advantages in expertise, brand recognition, and other areas. If existing or future competitors develop or offer products or services that provide significant performance, price, creative or other advantages over those offered by us, our business, prospects, results of operations, and financial condition could be negatively affected.

We also compete with traditional advertising media such as direct mail, television, radio, cable, and print for a share of marketers' total advertising budgets. Many current and potential competitors enjoy competitive advantages over us, such as longer operating histories, greater name recognition, larger customer bases, greater access to advertising space on high-traffic websites, and significantly greater financial, technical, sales, and marketing resources.

Proprietary Rights

Proprietary rights are crucial to our success and competitive position. To evolve and secure our proprietary rights, we rely on intellectual property and trade secret laws, confidentiality procedures, and contractual provisions.

As of December 31, 2022, we owned 51 trademarks (35 domestic trademark registrations in the U.S. and 16 foreign registrations on the International Register) and had 2 total pending applications in the U.S., Canada, and Nigeria. During the year ended December 31, 2022, we abandoned 6 inactive U.S. trademarks. As of December 31, 2022, we also owned approximately 346 domain names related to the various aspects of IZEA's products and services.

Government Regulation

We are subject to many foreign and domestic laws and regulations that affect companies conducting business on the Internet, many of which are still evolving and could be interpreted by regulators or in the courts in ways that could adversely affect our business model. In the U.S. and abroad, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by several claims. These regulations and laws may involve taxation, tariffs, privacy and data protection, consumer protection, content, copyrights, distribution, electronic contracts and other communications, and online payment services. In addition, governments may seek to censor content available on our platforms or attempt to block access to our platforms. Accordingly, adverse legal or regulatory developments could substantially harm our business.

We are subject to various federal, state, and international laws and regulations governing privacy, information security, and data protection laws ("Privacy Laws"). Legislators and/or regulators in countries in which we operate are increasingly adopting or revising Privacy Laws. All U.S. states have passed data breach notification laws, and others have adopted or expanded laws and regulations that address the security of personal information and the collection and use of personal information through websites. In particular, California passed a broad-reaching consumer privacy law in June 2018, which went into effect on January 1, 2020, called the California Consumer Privacy Act ("CCPA"). In response to the CCPA, IZEA posted an updated California Privacy Notice on its websites. Virginia's Consumer Data Protection Act ("CDPA") came into effect on January 1, 2023, which is also when the California Privacy Rights and Enforcement Act of 2020 ("CPRA") took effect. The U.S. Congress also is considering the implementation of a national Privacy Law. Outside the U.S., the European Union's ("EU") General Data Protection Regulation ("GDPR"), which became effective May 25, 2018, has an extra-territorial scope and substantial fines (up to 4% of global annual revenue or €20M, whichever is greater). In 2018, Brazil passed a law similar to GDPR and other countries are considering similar laws. Enforcement of Privacy Laws also has increased over the past few years. Accordingly, new and revised Privacy Laws, together with stepped-up enforcement of existing Privacy Laws, could significantly affect our current and planned privacy, data protection, information security-related practices, our collection, use, sharing, retention, and safeguarding of consumer and/or employee information, and some of our current or planned business activities.

The U.S. Digital Millennium Copyright Act has provisions that limit but do not eliminate our liability for linking to third-party websites. These websites may contain materials that infringe copyrights or other intellectual property rights of third parties. We must comply with the statutory requirements of this act. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business.

As an e-commerce service provider, we are subject to Section 5 of the Federal Trade Commission Act of 1914 (the "FTC Act"), which prohibits unfair or deceptive acts or practices, including advertising and marketing on the Internet. Many states have consumer protection laws similar to the FTC Act with the purpose of prohibiting unfair and deceptive business practices. In some instances, we are retained by marketers to manage their advertising campaigns through our platforms, thereby increasing our exposure as not only the service provider but also the medium through which advertisements are broadcast. In addition to those requirements, the marketers, creators, and agencies that use our platforms are subject to specific guidelines and regulations regarding online advertising, such as the *Dot Com Disclosures - Information about Online Advertising*, issued by the Federal Trade Commission (the "FTC"), the FTC's Enforcement Policy Statement on Deceptively Formatted Advertisements, issued in 2015, and the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising (known as the Endorsement Guide) which were adopted in 2009, updated and reissued by the FTC in 2013, and further clarified in 2015 and are regularly enforced. The Endorsement Guide, for example, significantly extends the scope of potential liability associated with the use of testimonials and endorsements, including injecting endorsement requirements into advertising methods such as blogging, posting on Instagram, tweeting, and other online postings of sponsored advertisements by a creator. In particular, the Endorsement Guide provides that creators must always clearly and conspicuously disclose the material connection between the creator and the marketer, such as if they received consideration for blogging or posting about a particular product, service, brand, or the like, whether the consideration comprises something tangible (i.e. cash, discounts, objects that are provided to them at no cost, even for testing purposes) or intangible (such as accolades and more prominent future blogging or posting opportunities). In addition, the creator must not make claims about the product or service they are discussing that go beyond what the marketer could say about the product or service. The Endorsement Guide further provides that the marketer should ensure that creators speaking on its behalf are provided guidance and training needed to ensure their claims, statements, and representations are truthful, transparent, and properly substantiated, and monitor the activities of creators speaking on its behalf. If a creator, blogger, agency, or marketer should fail to comply with the Dot Com Disclosures, the Endorsement Guide, or any other FTC rule, regulation, or policy, which may be manifest by making deceptive, misleading, or unsubstantiated claims and representations, failing to disclose a sponsorship relationship or otherwise, then various parties related to the advertising campaign (including the service provider of the platform over which the campaign is managed) may be subject to liability as a result of such non-compliance. In the event it was found that we (or one of our marketer customers) failed to comply with the FTC Act or state consumer protection laws, it could result in the potential imposition of equitable redress or penalties that could include monetary damages, a modification of certain business practices, or an order to cease certain aspects of our operations. Other countries, such as Canada and EU member states, also have laws, regulations, and rules that mirror the FTC Endorsement Guide and similar consumer protection laws and guidance.

More generally, if there is negative consumer perception and mistrust of the practice of compensating creators to endorse the marketers' specific products, then marketers may become less interested in using influencer marketing platforms like ours as a means for advertising which could, in turn, materially adversely affect our business and financial results.

We are committed to promoting ethical social sponsorship practices and have established terms of service for users of our platforms, which refer to the Endorsement Guide and include one or more of the following:

Mandatory Disclosure. Our terms of service require the disclosure of the sponsored relationship between the marketer and creator. Failure to disclose the sponsored relationship violates our terms of service, which may result in the withholding of payment for the sponsorship and the creator being removed from our network.

Freedom of Choice. Creators are free to choose which brands to work with and what sponsored content they want to publish. Our platforms do not auto-inject a marketer's message into an influencer's social media network.

Authentic Voice. We encourage honesty of opinion in the selection of sponsorships by a creator and similarly we encourage marketers to create opportunities that allow the creator to write the sponsorship in their own words, provided that a creator always adheres to our terms of service and code of ethics which includes disclosing their sponsored relationships at all times while using any of the platforms.

Transparency of Identity. Our platforms are designed to be an open, safe environment for our marketers, creators, and users. We do not cloak the identities of marketers or creators. Both parties involved in a potential transaction can see each other's profiles and make informed decisions before engaging with each other.

Pre-Publication Marketer Review. Marketers may choose to request to review their sponsored content before it is published and to request a change to the sponsored content before publication in the case of factual inaccuracies.

Reporting Violations. We have zero tolerance for violations of our terms of service and encourage the reporting of violations directly to IZEA. If violations are reported, we promptly investigate them and in appropriate cases, marketers, creators, and users are removed from our network and prohibited from using our sites.

We believe and have included requirements within our terms of service, based on positions taken by certain federal courts and the FTC, that communications and messages disseminated by our platform users are subject to and must comply at

all times with CAN-SPAM Act of 2003 (Controlling the Assault of Non-Solicited Pornography and Marketing Act) requirements.

To date, we have not been materially impacted by the rules governing messaging over social media networks and social sponsorship, including the CAN-SPAM Act and the Telephone Consumer Protection Act of 1991. However, we cannot predict the impact of future regulations on us and marketers and creators who use our platforms, nor can we predict the effects of attempts to circumvent our mechanisms designed to ensure compliance.

Employees

As of December 31, 2022, we had a total of 126 employees, of which 123 were full-time employees, including 39 in sales and marketing, 42 in campaign fulfillment, 25 in technology and development, and 20 in administration and finance. None of our employees is represented by a collective bargaining agreement, nor have we experienced any work stoppage. Our future success depends on our continuing ability to attract and retain highly qualified engineers, sales and marketing, account management, and senior management personnel.

Available Information

IZEA Worldwide, Inc. is incorporated in the state of Nevada. Our corporate address is 1317 Edgewater Dr. # 1880 Orlando, FL 32804, and our telephone number is (407) 674-6911. We maintain a corporate website at <https://izea.com>. Our Annual Report, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, and amendments to those reports filed or furnished according to Sections 13 or 15(d) of the Securities Exchange Act of 1934, are available free of charge on our website, as soon as reasonably practicable after they have been filed with or furnished to the U.S. Securities and Exchange Commission ("SEC"). Our SEC reports and other filings can be accessed through the investor's section of our website, or <https://www.sec.gov>. Information on our website does not constitute part of this Annual Report or any other report we file or furnish with the SEC.

Investors and others should note that we use social media to communicate with our subscribers and the public about our Company, our services, new product developments, and other matters. Any information that we consider to be material to an investor's evaluation of our Company will be included in filings accessible through the SEC website and/or may be disseminated using our investor relations website (<https://izea.com>) and press releases. However, we encourage investors, the media, and others interested in our Company to also follow our social media channels: @izea on Twitter, @izea on Instagram, and IZEA on Facebook. The information contained in these social media channels is not part of and is not incorporated into, or included in, this Annual Report.

ITEM 1A – RISK FACTORS

You should carefully consider the factors discussed under this item regarding the numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks occur, our business, financial condition, or results of operation may be materially and adversely affected. In such a case, the trading price of our common stock could decline, and investors could lose all or part of their investment. These risk factors may not identify all risks that we face, and our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations.

Risks Related to our Business and Industry

We have a history of annual net losses, expect future losses, and cannot assure you that we will achieve profitability.

We have incurred significant net losses and negative cash flow from operations for most periods since our inception, which has resulted in a total accumulated deficit of \$78.1 million as of December 31, 2022. For the twelve months ended December 31, 2022, we had a comprehensive loss of \$5.3 million, including a \$5.6 million loss from operations. We have not achieved profitability and cannot be certain that we will be able to realize sufficient revenue to achieve profitability. If we achieve profitability, we may not be able to sustain it. Therefore, we may need to raise capital through new financings, which could include equity financing, such as additional issuances of common stock under our "at the market offering" program, which may be dilutive to stockholders, or debt financing, which would likely restrict our ability to borrow from other sources. In addition, securities we issue may contain rights, preferences, or privileges senior to those of the rights of our current stockholders. There can be no assurance that additional funds will be available on terms attractive to us, or at all. If adequate funds are unavailable, we may be required to curtail or reduce our operations or be forced to sell or dispose of our rights or assets. An inability to raise adequate funds on commercially reasonable terms would have a material adverse effect on our business, results of operation, and financial condition, including the possibility that a lack of funds could cause our business to fail and liquidate with little or no return to investors.

Adverse economic or market conditions may harm our business.

Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs and other barriers to trade, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations can materially adversely affect demand for the Company's services. In addition, consumer confidence and spending can be adversely affected in response to financial market volatility, negative financial news, declines in income or asset values, changes to labor and healthcare costs, and other economic factors.

A downturn in the economic environment can also lead to increased credit and collectability risk on the Company's trade receivables and declines in the fair value of the Company's financial instruments. These and other economic factors can materially adversely affect the Company's business, results of operations and financial condition.

We are a remote workforce, which subjects us to certain operational challenges, risks, and potential harm to our business.

In light of the uncertainty caused by the COVID-19 pandemic in 2020, specifically stay-at-home orders imposed by certain states and localities, we did not enter into a new lease for our corporate headquarters in Winter Park, Florida or our Canadian headquarters in Toronto, Canada and additionally vacated the various co-working facilities previously used by our team members. As a result, our workforce has shifted from in-person to remote work, and we are subject to the challenges and risks of having a remote workforce. For example, certain security systems in homes or other remote workplaces may be less secure than those previously used in our offices, which may subject us to increased security risks, including cybersecurity-related events, and expose us to data or financial loss risks associated with disruptions to our business operations. Members of our workforce who access company data and systems remotely may not have access to robust technology, which could cause the networks, information systems, applications, and other tools available to those workers to be more limited or less reliable. We may also be exposed to risks associated with the locations of remote workers, including compliance with local laws and regulations or exposure to compromised internet infrastructure. Allowing members of our workforce to work remotely may create intellectual property risk if employees create intellectual property on our behalf while residing in a jurisdiction with unenforced or uncertain intellectual property laws. Further, if employees fail to inform us of changes in their work location, we may be exposed to additional risks without our knowledge. Remote working may also subject us to other operational challenges and risks. For example, remote working may adversely affect our ability to recruit and retain personnel who prefer an in-person work environment. Operating our business remotely could have a negative impact on our corporate culture, decrease the ability of our workforce to collaborate and communicate effectively, decrease innovation and productivity, or negatively affect workforce morale. If we are unable to effectively maintain a fully remote workforce, manage the cybersecurity and other risks of remote work, and maintain our corporate culture and workforce morale, our business could be harmed or otherwise negatively impacted.

The Ukraine crisis could have a significant adverse effect on our business, results of operations, financial condition, and cash flow in the future.

The Ukraine crisis raises a host of potential threats and risk factors to consider even though we do not conduct business directly in the Ukraine or Russia. Sanctions brought against Russia will impact the import, export, sale, and supply of goods and services with companies located in the U.S. and other regions. Many companies have ceased all operations in Russia with near- and short-term losses expected in the millions. This will have a negative impact on the global economy and effect economic and capital markets. A downturn in the economy could drive our customers to cancel or reduce existing bookings, which will result in a reduction in revenue.

In light of the dramatic sanctions imposed against Russia, the U.S. Cyber-security and Infrastructure Security Agency ("CISA") issued a warning of the risk of Russian cyber-attacks on U.S. networks and critical infrastructure. While we do not think we are a likely target of a cyber-attack, we need to be diligent in our controls over IT and ensuring the protection of our companies, employees, vendors, and customers data. If we do fall victim to such attack, it could have an adverse effect on our business operations.

We may experience losses or issues relating to transacting in and holding digital assets.

The use of digital assets to buy and sell goods and services is part of a new and rapidly evolving way of doing business. Growth in the adoption and use of digital assets is subject to a high degree of uncertainty. IZEA is prepared to transact in digital assets at the request of vendors, employees, and clients. Market valuation of digital assets is highly volatile and could result in losses. Currently, digital assets are treated as an intangible asset and must be impaired if a triggering event occurs. The assets are impaired if the fair market value falls below the carrying value. Governmental regulations could also impose tighter restrictions on transacting in digital assets, such as anti-money laundering compliance.

We make numerous estimates or judgments relating to our critical accounting policies and these estimates create complexity in our accounting. If our accounting is erroneous or based on assumptions that change or prove to be incorrect, our operating results could change from investor expectations, which could cause our stock price to fall.

We are required to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes in conformity with generally accepted accounting principles ("GAAP") in the U.S. Such estimates and assumptions include but are not limited to, judgments related to revenue recognition, stock based compensation, credit risk, and values surrounding software development, intangible assets and goodwill, and their economic useful lives.

Various factors contribute to complexity in our accounting. For example, the recognition of our revenue is governed by certain criteria that determine whether we report revenue either on a gross basis, as a principal, or net basis, as an agent, depending upon the nature of the sales transaction. Changes in how we control and manage our platforms, our contractual terms, our business practices, or other changes in accounting standards or interpretations, may change the reporting of our revenue on a gross to net or net to gross basis. As a result, we may experience significant fluctuations in our revenue depending on the nature of our sales and our reporting of such revenue and related accounting treatment, without any change in our underlying business or net income. Our guidance or estimates about the combination of gross or net revenue are based upon the volumes and characteristics that we believe will be the mix of revenue during the period. Those estimates and assumptions may be inaccurate when made or may be rendered inaccurate by subsequent changes in circumstances, such as changing the characteristics of our offerings or particular transactions in response to client demands, market developments, regulatory pressures, acquisitions, and other factors. In addition, we may incorrectly extrapolate from revenue recognition treatment of prior transactions to future transactions that we believe are similar, but that ultimately are determined to have different characteristics that dictate different revenue reporting treatment. These factors may make our financial reporting more complex and difficult for investors to understand, may make a comparison of our results of operations to prior periods or other companies more difficult, may make it more difficult for us to give accurate guidance, and could increase the potential for reporting errors.

Further, our acquisitions have imposed purchase accounting requirements, required us to integrate accounting personnel, systems, and processes, necessitated various consolidation and elimination adjustments, and imposed additional filing and audit requirements. An ongoing evolution of our business, changes in underlying GAAP, and any future acquisitions will compound these complexities. Our operating results may be adversely affected if we make accounting errors or our judgments prove to be wrong, assumptions change or actual circumstances differ from those in our assumptions, which could cause our operating results to fall below investor expectations or guidance we may have provided, resulting in a decline in our stock price and potential legal claims.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired.

If we fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations or prevent fraud, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. We cannot assure you that any existing material weaknesses have been identified, or that we will not in the future identify material weaknesses. Any failure to maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business and results of operations and could adversely impact our business, operating results, and financial condition.

If we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. Furthermore, investor perceptions of our company may suffer if, in the future, material weaknesses are found, and this could cause the price of our common stock to decline.

Historically, we have not relied upon patents to protect our proprietary technology, and our competitors may be able to offer similar products and services, which would harm our competitive position.

Our success depends upon our proprietary technology. We do not have registered patents on any of our current platforms because we have determined that the costs of patent prosecution outweigh the benefits given the alternative of reliance upon copyright law to protect our computer code and other proprietary technology and properties. In addition to copyright laws, we rely upon service mark and trade secret laws, confidentiality procedures, and contractual provisions to establish and protect our proprietary rights. As part of our confidentiality procedures, we enter into non-disclosure agreements with our employees and consultants. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or to obtain and use information that we regard as proprietary or develop similar technology

independently. Policing unauthorized use of our products is difficult, and while we are unable to determine the extent to which piracy of our software products exists, software piracy can be expected to be a persistent problem. In addition, the laws of some foreign countries do not protect proprietary rights to as great an extent as do the laws of the U.S., and effective copyright, trademark, trade secret, and patent protection may not be available in those jurisdictions. Our means of protecting our proprietary rights may not be adequate to protect us from the infringement or misappropriation of such rights by others, and we cannot assure you that our competitors will not independently develop similar technology, duplicate our products and services, or design around any intellectual property rights we hold.

We cannot provide any assurance that our proprietary rights with respect to our products or services will be viable or have value in the future since the validity, enforceability, and type of protection of proprietary rights in Internet-related industries are uncertain and still evolving.

If third parties claim that we infringe their intellectual property rights, it may result in costly litigation.

We cannot assure you that third parties will not claim our current or future products or services infringe on their intellectual property rights. Any such claims, with or without merit, could cause costly litigation that could consume significant management time. As the number of product and services offerings in our market increases and functionalities increasingly overlap, companies such as ours may become increasingly subject to infringement claims. These claims, even if not meritorious, could be expensive to defend and could divert management's attention from operating our business. These claims also might require us to enter into royalty or license agreements. If required, we may not be able to obtain such royalty or license agreements or obtain them on terms acceptable to us.

Further, in recent years, there has been significant litigation in the U.S. involving patents and other intellectual property rights, particularly in the software and Internet-related industries. If we become liable to third parties for infringing their intellectual property rights, we could be required to pay a substantial award of damages and to develop non-infringing technology, obtain a license or cease selling the products that contain the infringing intellectual property. We may be unable to develop non-infringing technology or obtain a license on commercially reasonable terms, if at all.

Intense competition in our target markets could impair our ability to grow and to achieve profitability.

The market for influencer and content marketing is highly competitive. We expect this competition to continue to increase, in part because there are no significant barriers to entry to our industry for those that operate in a Managed Services or an agency-type model. Increased competition may result in reduced pricing for managed campaigns, reduced margins, and reduced revenue as a result of lost market share. Our principal competitors include other companies that provide marketers with Internet advertising solutions and companies that offer pay-per-click search services.

Within the enterprise software unit of IZEA's business ("SaaS Services"), while there is a higher technological barrier to entry, IZEA is vulnerable to new entrants with access to fresh capital and the ability to capitalize upon previous research and development investments made by us. This is particularly challenging given the minimal opportunity to protect our internet-based software via patents.

We also compete with traditional advertising media, such as direct mail, television, radio, cable, and print for a share of marketers' total advertising budgets. Many current and potential competitors enjoy competitive advantages over us, such as longer operating histories, greater name recognition, larger customer bases, greater access to advertising space on high-traffic websites, and significantly greater financial, technical, sales, and marketing resources. As a result, we may be unable to compete successfully. If we fail to compete successfully, we could lose customers and our revenue and results of operations could decline.

In addition, as we continue our efforts to expand the scope of our services, we may compete with a greater number of other media companies across an increasing range of different services, including in vertical markets where competitors may have advantages in expertise, brand recognition, and other areas. If existing or future competitors develop or offer products or services that provide significant performance, price, creative or other advantages over those offered by us, our business, prospects, results of operations, and financial condition could be negatively affected.

We continue to develop our Flex platform and are in the process of transitioning customers away from our legacy IZEAx platform. We launched Marketplace and shuttered Shake. Our updated Flex and Marketplace platforms may not achieve sufficient market acceptance to be commercially viable for open marketplace or SaaS services.

In October 2022, we launched *Marketplace* on IZEA.com, replacing *Shake* with significantly upgraded functionality. In January 2023, we launched *Flex* which is designed to replace our legacy *IZEAx* platform, both for self-serve marketers to manage their influencer campaigns and for IZEA's Managed Services business. If our marketers and creators do not perceive this platform to be of high value and quality, we may not be able to retain them or acquire new marketers and creators. While the majority of *IZEAx* customers have contract pricing that is in-line with the pricing plans for *Flex*, some of our customers

have more expensive *IZEAx* plans, which are no longer sold under *Flex*. If those customers choose to transition to the *Flex* platform they may pay a lower licensing fee as a result, depending on the number of active users in their organization.

We must continue to attract and retain software customers to increase software related revenue and achieve profitability. If existing or future competitors develop or offer products or services that provide significant performance, price, creative or other advantages over this platform, demand for our platforms may decrease. In addition, we may experience attrition in our customers in the ordinary course of business resulting from several factors, including losses to competitors, mergers, closures, or bankruptcies. If we are unable to attract new customers in numbers sufficient to grow our business, or if too many customers are unwilling to offer products or services with compelling terms to our creators through our platforms, or if creators stop offering their services through our platform, our operating results will be adversely affected.

Our total number of user accounts may be higher than the number of our actual individual marketers or creators and may not be representative of the number of persons who are active users.

Our total number of user accounts in our platforms may be higher than the number of our actual individual marketers and creators because some may have created multiple accounts for different purposes, including different user connections. We define a user connection as a social account or blog that has been added to our platforms under a user account. One user can add as many user connections as they like, and it is common for talent managers and large publishers to add several connections under a single account. Given the challenges inherent in identifying these creators, we do not have a reliable system to accurately identify the number of actual individual creators, and thus we rely on the number of total user connections and user accounts as our measure of the size of our user base. In addition, the number of user accounts includes the total number of individuals that have completed registration through a specific date, minus those individuals who have unsubscribed, and should not be considered as representative of the number of persons who continue to actively create to fulfill the sponsorships offered through our platforms. Many users may create an account but may not actively participate in marketplace activities.

Delays in releasing enhanced versions of our products and services could adversely affect our competitive position.

As part of our strategy, we expect to periodically release enhanced versions of our platforms and related services. Even if our new versions contain the features and functionality our customers want, in the event we are unable to timely introduce these new product releases, our competitive position may be harmed. We cannot assure you that we will be able to complete the development of currently planned or future products in a timely and efficient manner. Due to the complexity of these products, internal quality assurance testing and customer testing of pre-commercial releases may reveal product performance issues, undesirable feature enhancements, or additional desirable feature enhancements that could lead us to postpone the release of these new versions. In addition, the reallocation of resources associated with any postponement would likely cause delays in the development and release of other future products or enhancements to our currently available products. Any delay in releasing other future products or enhancements of our products could cause our financial results to be adversely impacted.

We rely on third-party social media platforms to provide the mechanism necessary to deliver influencer marketing, and any change in the platform terms, costs, availability, or access to these technologies could adversely affect our business.

We rely on third-party social media platforms such as Facebook/Meta, Instagram, Twitter, and YouTube for core aspects of influencer data. These platforms include technologies that provide some of the functionality required to operate the influencer marketing portion of our platform, as well as functionalities such as user traffic reporting, ad-serving, content delivery services, discovering services, and metrics. There can be no assurance that these providers will continue to make all or any of their technologies available to us on reasonable terms, or at all. Many of the social platforms offer their own competing marketplaces or services. Third-party social media platforms may start charging fees or otherwise change their business models in a manner that impedes our ability to use their technologies. In any event, we have no control over these companies or their decision-making for granting us access to their social media platforms or providing us with analytical data, and any material change in the current terms, costs, availability, or use of their social media platforms or analytical data could adversely affect our business.

Our business depends on continued and unimpeded access to the Internet by us and by our customers and their end-users. Internet access providers or distributors may be able to block, degrade or charge for access to our content, which could lead to additional expenses to us and our customers and the loss of end-users and advertisers.

Products and services such as ours depend on our ability and the ability of our customers' users to access the Internet. Currently, this access is provided by companies that have, or in the future may have, significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, and government-owned service providers. Some of these providers may take or have stated that they may take, measures that could degrade, disrupt, or increase the cost of user access to products or services such as ours by restricting or prohibiting the use of their infrastructure to support or facilitate product or service offerings such as ours, or by charging increased fees to businesses such as ours to provide content or to have users access that content. In 2015, the Federal Communications Commission ("FCC") released an order, commonly referred to as net neutrality, that, among other things,

prohibited (i) the impairment or degradation of lawful Internet traffic based on content, application, or service and (ii) the practice of favoring some Internet traffic over other Internet traffic based on the payment of higher fees. In December 2017, the FCC voted to overturn the net neutrality regulations imposed by the 2015 order. Internet service providers in the U.S. may now be able to impair or degrade the use of or increase the cost of using our products or services. Such interference could result in a loss of existing viewers, subscribers, and advertisers, and increased costs, and could impair our ability to attract new viewers, subscribers, and advertisers, thereby harming our revenues and growth.

Fluctuations in foreign currency exchange rates could result in unanticipated losses that could adversely affect our results of operations and financial position.

We are exposed to foreign currency exchange rate fluctuations because a portion of our sales, expenses, assets, and liabilities are denominated in foreign currencies. Changes in the value of foreign currencies, particularly the Canadian dollar, affect our results of operations and financial position. With respect to international sales initially priced using U.S. dollars as a cost basis, a decrease in the value of foreign currencies relative to the U.S. dollar would make our products less price competitive. Once the product is sold at a fixed foreign currency price, we could experience foreign currency gains or losses that could have a material effect on our operating results.

New tax treatment of companies engaged in Internet commerce may adversely affect the commercial use of our services and our financial results.

Due to the global nature of social media and our services, various states or foreign countries might attempt to regulate our transmissions or levy sales, income, or other taxes relating to our activities. Tax authorities at the international, federal, state, and local levels are currently reviewing the appropriate treatment of companies engaged in Internet commerce. New or revised international, federal, state, or local tax regulations may subject us or our creators to additional sales, income, and other taxes. We cannot predict the effect of current attempts to impose sales, income, or other taxes on commerce over social media. New or revised taxes and, in particular, sales taxes, VAT, and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of advertising and selling goods and services over social media. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on our business and the results of operations.

We may become subject to government regulation and legal uncertainties that could reduce demand for our products and services or increase the cost of doing business, thereby adversely affecting our financial results.

As described in the section "Business - Government Regulation," we are subject to laws and regulations applicable to businesses generally and certain laws or regulations directly applicable to service providers for advertising and marketing Internet commerce. Due to the increasing popularity and use of social media, it is possible that some laws and regulations may become applicable to us or may be adopted in the future concerning social media covering issues such as:

- truth-in-advertising;
- user privacy;
- taxation;
- right to access personal information;
- copyrights;
- distribution; and
- characteristics and quality of services.

The applicability of existing laws governing issues such as property ownership, copyrights, and other intellectual property, encryption, taxation, libel, and export or import matters to social media platforms is uncertain. The vast majority of these laws were adopted before the broad commercial use of social media platforms and related technologies. As a result, they do not contemplate or address the unique issues of social media and related technologies. Changes to these laws intended to address these issues, including some recently proposed changes, could create uncertainty in the social media marketplace. Such uncertainty could reduce demand for our services or increase the cost of doing business due to increased costs of litigation or increased service delivery costs.

Our influencer marketing business is subject to the risks associated with word-of-mouth advertising and endorsements, such as violations of "truth-in-advertising" laws, the FTC Endorsement Guide, and other similar global regulatory requirements and, more generally, loss of consumer confidence.

As the practice of targeted advertising is increasingly scrutinized by both regulators and the industry alike, a greater emphasis has been placed on educating consumers about their privacy choices on the Internet and providing them with the right to opt-in or opt-out of targeted advertising. The common thread throughout both targeted advertising and the FTC requirements

described in detail in the section “Business - Government Regulation” is the increased importance placed on transparency between the marketer and the consumer to ensure that consumers know the difference between “information” and “advertising” on the Internet and are allowed to decide how their personal information will be used in the manner to which they are marketed. There is a risk regarding negative consumer perception of the practice of “undisclosed compensation” of social media users to endorse specific products. As described in the section “Business - Government Regulation,” we undertake various measures through controls across our platforms and by monitoring and enforcing our code of ethics to ensure that marketers and creators comply with the FTC’s Endorsement Guide (and analogous laws and guidance in other countries) when utilizing our websites, but if competitors and other companies do not, it could create a negative overall perception for the industry. Not only will readers stop relying on blogs for useful, timely, and insightful information that enrich their lives by having access to up-to-the-minute information that often bears different perspectives and philosophies, but a lack of compliance will almost inevitably result in greater governmental oversight and involvement in an already-highly regulated marketplace. A pervasive overall negative perception caused by a failure of our preventative measures or by others not complying with the FTC’s Endorsement Guide (among the FTC’s other acts, regulations, and policies, and among analogous laws and guidance in other countries,) could result in reduced revenue and results of operations and higher compliance costs for us.

Failure to comply with federal, state, and international privacy laws and regulations, or the expansion of current or the enactment of new privacy laws or regulations, could adversely affect our business.

A variety of federal, state, and international laws and regulations govern the collection, use, retention, sharing, and security of personal information (“Privacy Laws”). Privacy Laws are evolving and subject to potentially differing interpretations. The EU adopted the GDPR, which went into effect in May 2018 and requires companies to satisfy stricter requirements regarding the handling of personal and sensitive data, including its collection, use, protection, and the ability of persons whose data is stored to correct or delete such data about themselves. EU Member States also are enacting national GDPR-implementing laws that are in some cases stricter or different from GDPR. In 2018, Brazil enacted a law similar to GDPR and other countries are expanding or considering their Privacy Laws to follow suit. Complying with these new and expanded Privacy Laws will cause us to incur substantial operational costs or may require us to change our business practices. For example, noncompliance with the GDPR could result in proceedings against us by governmental entities or others and fines up to the greater of €20 million or 4% of annual global revenues as well as damage to our reputation and brand. We also may find it necessary to establish systems to effectuate cross-border personal data transfers of personal information originating from the European Economic Area, Australia, Japan, and other non-U.S. jurisdictions, which may involve substantial expense and distraction from other aspects of our business.

We have made public certain statements about our privacy practices concerning the collection, use, and disclosure of creators’ personal information on our websites and platforms. Several Internet companies have incurred penalties for failing to abide by the representations made in their public-facing privacy notices. In addition, several states have adopted legislation that requires businesses to implement and maintain reasonable security procedures and practices to protect sensitive personal information and to provide notice to consumers in the event of a security breach. Any failure, or perceived failure, by us to comply with our public-facing privacy notices, FTC requirements or orders or other federal, state, or international privacy or consumer protection-related laws, regulations, or industry self-regulatory principles could result in claims, proceedings, or actions against us by governmental or other entities or the incurring by us of other liabilities, which could adversely affect our business. In addition, a failure or perceived failure to comply with industry standards or with our privacy policies and practices could result in a loss of creators or marketers and adversely affect our business. Federal, state, and international governmental authorities continue to evaluate the privacy implications of targeted advertising, such as the use of cookies and other tracking technology. The regulation of these cookies and other current online advertising practices could adversely affect our business.

Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, or if we receive unfavorable media coverage, our ability to expand our base of creators and marketers will be impaired and our business and operating results will be harmed.

We believe that the brand identity that we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the “IZEA” brand is critical to expanding our base of creators and marketers. Maintaining and enhancing our brand may require us to make substantial investments and these investments may not be successful. If we fail to promote, maintain, and protect the “IZEA” brand, or if we incur excessive expenses in this effort, our business, prospects, operating results, and financial condition will be materially and adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Unfavorable publicity or consumer perception of our platforms, applications, practices or service offerings, or the offerings of our marketers, could adversely affect our reputation, resulting in difficulties in recruiting, decreased revenue, and a negative impact on the number of marketers and the size of our creator base, the loyalty of our creators and the number and variety of sponsorships we offer each day. As a result, our business, prospects, results of operation, and financial condition could be materially and adversely affected.

Our business depends on our ability to maintain and scale the network infrastructure necessary to operate our platforms and applications, and any significant disruption in service on our platforms and applications could result in a loss of creators or marketers.

Creators and marketers access our services through our platforms and applications. Our reputation and ability to acquire, retain, and serve our creators and marketers are dependent upon the reliable performance of our platforms and applications and the underlying network infrastructure. If our creator base continues to grow, we will need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts for cloud storage and computing power to handle the traffic on our platforms and data processing capabilities of our applications. The operation of these systems is expensive and complex and could result in operational failures. If our creator base or the amount of traffic on our platforms and applications grows more quickly than anticipated, we may be required to incur significant additional costs. Interruptions in these systems, whether due to system failures, computer viruses, or physical or electronic break-ins, could affect the security or availability of our platforms and applications, and prevent our creators and marketers from accessing our services. Our entire network infrastructure is hosted by third-party providers. Any disruption in these services or any failure of these providers to handle existing or increased traffic could significantly harm our business. Any financial or other difficulties these providers face may adversely affect our business, and we exercise little control over these providers, which increases our vulnerability to problems with the services they provide. If we do not maintain or expand our network infrastructure successfully or if we experience operational failures, we could lose current and potential creators and marketers or transactions between the two groups, which could harm our operating results and financial condition.

If our security measures are breached, or if our services are subject to attacks that degrade or deny the ability of users to access our platforms, our platforms and applications may be perceived as not being secure, marketers and creators may curtail or stop using our services, and we may incur significant legal and financial exposure.

Our platforms and applications and the network infrastructure that is hosted by third-party providers involve the storage and transmission of marketer and creator proprietary information, and security breaches could expose us to a risk of loss of this information, litigation, and potential liability. Our security measures may be breached due to the actions of outside parties, employee error, malfeasance, security flaws in the third-party hosting service that we rely upon, or any number of other reasons and, as a result, an unauthorized party may obtain access to our data or our marketers' or creators' data. Additionally, outside parties may attempt to fraudulently induce employees, marketers, or creators to disclose sensitive information to gain access to our data or our marketers' or creators' data. Although we do have security measures in place, we have had instances where some customers have used fraudulent credit cards to pay for our services. While these breaches of our security did not result in material harm to our business, any future breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation, and a loss of confidence in the security of our platforms and applications that could potentially have an adverse effect on our business. Because the techniques used to obtain and use unauthorized credit cards, obtain unauthorized access, disable, or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures on a timely basis. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose marketers, creators, and vendors and have difficulty obtaining merchant processors or insurance coverage essential for our operations.

If our technology platforms contain defects, we may need to suspend their availability and our business and reputation would be harmed.

Platforms as complex as ours often contain unknown and undetected defects or performance problems. Many serious defects are frequently found during the period immediately following the introduction and initial release of new platforms or enhancements to existing platforms. Although we attempt to resolve all defects that we believe would be considered serious by our customers before making our platforms available to them, our products are not defect-free. We may not be able to detect and correct defects before releasing our product commercially. We cannot ensure that undetected defects or performance problems in our existing or future products will not be discovered in the future or that known defects, considered minor by us, will not result in serious issues for our customers. Any such defects or performance problems may be considered serious by our customers, resulting in a decrease in our revenues.

Some aspects of our business processes include open-source software, which poses risks that could have a material and adverse effect on our business, financial condition, and results of operations. In addition, any failure to comply with the terms of one or more of these open-source licenses, or lawsuits enjoining the use of such licensed software could negatively affect our business.

We incorporate open-source software into processes supporting our business and anticipate using open-source software in the future. Such open-source software may include software covered by licenses like the GNU General Public License, CreativeML, and Open RAIL-M. Certain aspects of various open-source licenses to which we are subject, as well as third party services that make use of these licenses, have not been interpreted by U.S. courts, and there is a risk that such

licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to operate certain features of our systems, limits our use of the software, inhibits certain aspects of our systems and negatively affects our business operations.

Some open-source licenses contain requirements that we make source code modifications or derivative works we create publicly available or make them available on unfavorable terms or at no cost, based upon the type of open-source software we use.

While we monitor our use of open-source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open-source license, such use could inadvertently occur, or could be claimed to have occurred, in part because open-source license terms are often ambiguous. We may face claims from third parties claiming ownership of, or demanding the release or license of, modifications or derivative works that we have developed using such open-source software (which could include our proprietary source code or artificial intelligence ("AI") models), or otherwise seeking to enforce the terms of the applicable open-source license. These claims could result in litigation and if portions of our proprietary AI models or software are determined to be subject to an open-source license, or if the license terms for the open-source software that we incorporate change, we could be required to publicly release all or affected portions of our source code, purchase a costly license, cease offering the implicated products or services unless and until we can re-engineer such source code in a manner that avoids infringement, discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis or change our business activities, any of which could negatively affect our business operations and potentially our intellectual property rights. In addition, the re-engineering process could require us to expend significant additional research and development resources, and we may not be able to complete the re-engineering process successfully. If we were required to publicly disclose any portion of our proprietary models, it is possible we could lose the benefit of trade secret protection for our models.

In addition to risks related to license requirements, the use of certain open-source software can lead to greater risks than the use of third-party commercial software, as open-source licensors generally do not provide support, warranties, indemnification, controls or other contractual protections regarding infringement claims or the quality of the origin of the software. There is little legal precedent in this area, and any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. Use of open-source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open-source software. Any of these risks associated with the use of open-source software could be difficult to eliminate or manage, and if not addressed, could materially and adversely affect our business, financial condition, and results of operations.

We may be subject to lawsuits for information published on our websites or by our marketers or creators, which may adversely affect our business.

Laws relating to the liability of providers of online services for the activities of their marketers or their social media creators and the content of their marketers' listings are currently unsettled. It is unclear whether we could be subject to claims for defamation, negligence, copyright or trademark infringement, or claims based on other theories relating to the information we publish on our websites, or the information published across our platforms. These types of claims have been brought, sometimes successfully, against online services and print publications in the past. We may not successfully avoid civil or criminal liability for unlawful activities carried out by our marketers or our creators. Our potential liability for unlawful activities of our marketers or our creators or the content of our marketers' listings could require us to implement measures to reduce our exposure to such liability, which may require us, among other things, to spend substantial resources or to discontinue certain service offerings. Our insurance may not adequately protect us against these types of claims and the defense of such claims may divert the attention of our management from our operations. If we are subject to such lawsuits, it may adversely affect our business.

If we fail to detect click-fraud or other invalid clicks, we could lose the confidence of our marketers and advertising partners as a result of lost revenue to marketers or misappropriation of proprietary and confidential information, thereby causing our business to suffer.

"Click-fraud" is a form of online fraud when a person or computer program imitates a legitimate user by intentionally clicking on an advertisement to generate a charge per click without having actual interest in the target of the advertisement's link. We are exposed to the risk of fraudulent or illegitimate clicks on our sponsored listings. The security measures we have in place, which are designed to reduce the likelihood of click-fraud, detect click-fraud from time to time. Although we do not charge customers on a cost per click basis, and the instances of click-fraud that we have detected to date have not had a material effect on our business, click-fraud could result in a marketer experiencing a reduced return on their investment in our advertising programs because the fraudulent clicks will not lead to revenue for the marketers. As a result, our marketers and advertising partners may become dissatisfied with our advertising programs, which could lead to the loss of marketers,

advertising partners, and revenue. In addition, anyone who can circumvent our security measures could misappropriate proprietary and confidential information or could cause interruptions in our operations. We may be required to expend significant capital and other resources to protect against such security breaches or to address problems caused by such breaches. Concerns over the security of the Internet and other online transactions and the privacy of users may also deter people from using the Internet to conduct transactions that involve transmitting confidential information.

The influencer and content marketing industry is subject to rapid technological change and, to compete, we must continually enhance our products and services.

We must continue to enhance and improve the performance, functionality, and reliability of our products and services. The influencer and content marketing industry is characterized by rapid technological change, changes in user requirements and preferences, frequent new product and service introductions embodying new technologies, and the emergence of new industry standards and practices that could render our products and services obsolete. In the past, we have discovered that some of our customers desire additional performance and functionality not currently offered by our products. Our success will depend, in part, on our ability to develop new products and services that address the increasingly sophisticated and varied needs of our customers and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development of our technology and other proprietary technology involves significant technical and business risks. We may fail to use new technologies effectively or to adapt our proprietary technology and systems to customer requirements or emerging industry standards. If we are unable to adapt to changing market conditions, customer requirements, or emerging industry standards, we may not be able to increase our revenue and expand our business.

If we lose key personnel or are unable to attract and retain additional qualified personnel, we may not be able to successfully manage our business and achieve our objectives.

We believe our future success will depend upon our ability to retain our key management, including Edward H. Murphy, our Chief Executive Officer, and Ryan S. Schram, our President and Chief Operating Officer. Mr. Murphy, who is our founder, has unique knowledge regarding the influencer marketing space, business contacts, system design, and development expertise regarding our platforms that would be difficult to replace. Mr. Schram has sales, marketing, and business development expertise that our other officers do not possess. Even though we have employment agreements in place with each of them, if Messrs. Murphy and Schram were to become unavailable to us, our operations would be adversely affected. Although we maintain "key-man" life insurance for our benefit on the lives of Mr. Murphy and Mr. Schram, this insurance may be inadequate to compensate us for the loss of our executive officers.

Our future success and our ability to expand our operations will also depend in large part on our ability to attract and retain additional qualified engineers, sales and marketing, and senior management personnel. Competition for these types of employees is intense due to the limited number of qualified professionals and the high demand for them. We have in the past experienced difficulty in recruiting qualified personnel. Failure to attract, assimilate and retain personnel, including key management, technical, sales, and marketing personnel, would have a material adverse effect on our business and potential growth.

Public company compliance may make it more difficult to attract and retain officers and directors.

The Sarbanes-Oxley Act and new rules subsequently implemented by the SEC have required changes in corporate governance practices of public companies. As a public company, we expect these rules and regulations to increase our compliance costs and to make certain activities more time-consuming and costly. As a public company, we also expect that these rules and regulations may make it more difficult and expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult and costly for us to attract and retain qualified persons to serve on our Board of Directors or as executive officers.

Risks Relating to our Common Stock

Our common stock may be delisted if we fail to maintain compliance with the requirements for continued listing on the Nasdaq Capital Market, and the price of our common stock and our ability to access the capital markets could be negatively impacted.

Our common stock is listed for trading on the Nasdaq Capital Market ("Nasdaq") under the symbol "IZEA". To maintain this listing, we must satisfy Nasdaq's continued listing requirements, including, among other things, a minimum closing bid price requirement of \$1.00 per share for continued inclusion on the Nasdaq Capital Market under Nasdaq Listing Rule 5450(a)(1) (the "Bid Price Rule").

On July 6, 2022, the Company received a notification letter from the Listing Qualifications Department of Nasdaq stating that the Company was not in compliance with the Bid Price Rule. The notification letter stated that the Company would be afforded 180 calendar days (until January 2, 2023) to regain compliance. In order to regain compliance, the Company's closing bid price must remain at \$1.00 or more for a minimum of ten consecutive business days. The notification letter also stated that in the event the Company did not regain compliance within the 180 day period, the Company may be eligible for an additional 180 days to regain compliance. To qualify, the Company was required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and would need to provide written notice of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary.

On January 5, 2023, the Company received notice from Nasdaq informing the Company that it had been granted an additional 180-day period, or until July 3, 2023, to regain compliance with the minimum bid price requirement. If at any time during this second 180-day period the closing bid price of the Company's common stock is at least \$1.00 per share for a minimum of 10 consecutive business days, Nasdaq staff have stated it will provide written confirmation of compliance.

If we are unable to regain compliance with the Bid Price Rule, or fail to meet any of the other continued listing requirements in the future, our common stock may be delisted from Nasdaq, which could reduce the liquidity of our common stock materially and result in a corresponding material reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, employees, and business development opportunities. Such a delisting likely would impair your ability to sell or purchase our common stock when you wish to do so. Further, if we were to be delisted from Nasdaq, our common stock may no longer be recognized as a "covered security" and we would be subject to regulation in each state in which we offer our securities. Thus, delisting from Nasdaq could adversely affect our ability to raise additional financing through the public or private sale of equity securities, would significantly impact the ability of investors to trade our securities, and would negatively impact the value and liquidity of our common stock.

We have raised and may raise, additional capital to meet our business requirements in the future and such capital raising may be costly or difficult to obtain and could dilute current stockholders' ownership interests.

We have incurred losses since inception and expect to continue to incur losses until we can significantly grow our revenues. Therefore, we may need additional financing to maintain and expand our business.

The terms of any securities issued by us in future capital transactions may be more favorable to new investors and may include preferences, superior voting rights, and the issuance of warrants or other derivative securities, which may have a further dilutive effect on the holders of any of our securities then outstanding. In addition, we may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses, and other costs. We may be required to bear the costs even if we are unable to complete any such capital financing. We may also be required to recognize non-cash expenses in connection with certain securities we issue, such as convertible promissory notes and warrants, which may adversely impact our financial results.

Exercises of stock options, warrants, and other securities will dilute your percentage of ownership and could cause our stock price to fall.

As of March 24, 2023, we had 62,471,997 shares of our common stock issued and outstanding, which included 95 shares of unvested restricted stock, outstanding stock options to purchase 1,611,298 shares of our common stock at an average exercise price of \$2.76 per share, and unvested restricted stock units of 1,461,980 shares with an intrinsic value of \$945,936.

As of March 24, 2023, we also have reserved shares to issue stock options, restricted stock, or other awards to purchase or receive up to 2,233,075 shares of common stock under our May 2011 Equity Incentive Plan and 363,072 shares of common stock under our 2014 Employee Stock Purchase Plan. In the future, we may grant these additional shares or issue new securities, per terms defined in employment agreements or as part of additional incentive programs. The exercise, conversion, or exchange by holders of stock options, restricted stock units, or warrants for shares of common stock, or the issuance of new shares of common stock for additional compensation will dilute the percentage ownership of our stockholders. Issuance of a substantial number of shares of our common stock could cause the price of our common stock to fall and could impair our ability to raise capital by selling additional securities.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they adversely change their recommendations regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. No person is under any obligation to publish research or reports on us, and any person publishing research or reports on us may discontinue doing so at any time without notice. If adequate research coverage is not maintained on our company or if any of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business or provide relatively more favorable recommendations about our competitors, our stock price would likely decline. If any analysts who cover us were to cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our earnings are subject to substantial quarterly and annual fluctuations and to market downturns.

Our revenues and earnings may fluctuate significantly in the future. General economic or other political conditions may cause a downturn in the market for our products or services. A future downturn in the market for our products or services could adversely affect our operating results and increase the risk of substantial quarterly and annual fluctuations in our earnings. Our future operating results may be affected by many factors, including, but not limited to our ability to retain existing or secure anticipated marketers and creators; our ability to develop, introduce and market new products and services on a timely basis; changes in the mix of products developed, produced, and sold; disputes with our marketers and creators; and general economic conditions causing a reduction in spending by our customers. These factors affecting our future earnings are difficult to forecast and could harm our quarterly and/or annual operating results. The change in our earnings or general economic conditions may cause the market price of our common stock to fluctuate.

The price of our common stock in the public markets has experienced, and may in the future experience, extreme volatility due to a variety of factors, many of which are beyond our control.

Since our common stock started trading on the Nasdaq Capital Market, it has been relatively thinly traded and at times been subject to price volatility. Recently, from January 1, 2022, to December 31, 2022, the closing price of our common stock ranged from a low of \$0.54 on December 30, 2022, to a high of \$1.66 on March 31, 2022. During the twelve months ended December 31, 2022, the closing price of our common stock averaged \$0.94 with an average daily trading volume of 488,000 shares.

In addition to shares of our common stock, the stock market in general, and the stock prices of technology-based companies in particular, have experienced volatility that often has been unrelated to the operating performance of any specific public company. The market price of our common stock has historically experienced and may continue to experience significant volatility. As a result, the market price could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- changes in our industry;
 - competitive pricing pressures;
 - our ability to obtain working capital financing;
 - additions or departures of key personnel;
 - limited “public float” in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market prices of our common stock;
 - speculative trading practices of certain market participants;
 - actual or purported “short squeeze” trading activity;
 - expiration of any Rule 144 holding periods or registration of unregistered securities issued by us;
 - sales of our common stock;
 - our ability to execute our business plan;
 - operating results that fall below expectations;
 - loss of any strategic relationship;
 - regulatory developments; and
 - economic and other external factors, including effects of the coronavirus pandemic.
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These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock.

Further, on some occasions, our stock price may be or may be purported to be, subject to “short squeeze” activity. A “short squeeze” is a technical market condition that occurs when the price of a stock increases substantially, forcing market participants who had taken a position that its price would fall (i.e. who had sold the stock “short”), to buy it, which in turn may create significant, short-term demand for the stock not for fundamental reasons, but rather due to the need for such market participants to acquire the stock to forestall the risk of even greater losses. A “short squeeze” condition in the market for a stock can lead to short-term conditions involving very high volatility and trading that may or may not track fundamental valuation models.

In addition, in the past, class action litigation has often been instituted against companies whose securities have experienced periods of volatility in market price. Securities litigation brought against us following volatility in our stock price, regardless of the merit or ultimate results of such litigation, could result in substantial costs, which would hurt our financial condition and operating results and divert management’s attention and resources from our business.

ITEM 1B - UNRESOLVED STAFF COMMENTS

None.

ITEM 2 - PROPERTIES

As a virtual-first employer, we do not have any current physical locations and all of our employees are working remotely. Our corporate mailing address is 1317 Edgewater Dr #1880, Orlando, Florida 32804.

ITEM 3 – LEGAL PROCEEDINGS

From time to time, we may become involved in various other lawsuits and legal proceedings that arise in the ordinary course of our business. Litigation is subject to inherent uncertainties and an adverse result in any such litigation that may arise from time to time that may harm our business. As of March 24, 2023, we are not aware of any legal proceedings or claims that we believe would or could have, individually or in the aggregate, a material adverse effect on us. Regardless of outcomes, however, any such proceedings or claims may nonetheless impose a significant burden on management and employees and may come with costly defense costs or unfavorable preliminary interim rulings.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Information

Our shares of common stock trade on the Nasdaq Capital Market under the symbol IZEA. As of March 24, 2023, we had approximately 146 shareholders of record of our common stock. This number does not include beneficial owners whose shares are held in the names of various securities brokers, dealers, and registered clearing agencies.

Dividend Policy

We have never paid dividends to holders of our common stock, and we do not anticipate paying any cash dividends in the foreseeable future as we intend to retain any earnings for use in our business. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law, and other factors our board of directors deems relevant.

Securities Authorized for Issuance under Equity Compensation Plans

See the section "Equity Incentive Plans," under Part III, Item 11 of this Annual Report.

Recent Sales of Unregistered Securities

Except as previously reported in our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC, there were no unregistered sales of equity securities by us during the year ended December 31, 2022.

ITEM 6 - RESERVED

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Company Overview

IZEA Worldwide, Inc. ("IZEA", "Company," "we", "us" or "our") creates and operates online marketplaces that connect marketers, including brands, agencies, and publishers, with content creators such as Instagram influencers, TikTok influencers, YouTube stars, designers, photographers, and writers ("creators"). Our technology brings the marketers and creators together, enabling their transactions to be completed at scale by managing custom content workflow, creator search and targeting, bidding, analytics, and payment processing.

We help power the growing Creator Economy, allowing everyone from college students and stay-at-home individuals to celebrities and accredited journalists the opportunity to monetize their content, creativity, and influence through our marketers. IZEA compensates these creators for producing unique content such as long and short-form text, videos, photos, status updates, and illustrations for marketers or distributing such content on behalf of marketers through their websites, blogs, and social media channels.

We provide value through managing custom content workflow, creator search and targeting, bidding, analytics, and payment processing. While the majority of the marketers engage us to perform these services on their behalf, they may also use our marketplaces to engage creators for influencer marketing campaigns or to produce custom content on a self-service basis by licensing our technology.

Our newest technology platform, *IZEA Flex* ("Flex"), introduces end-to-end tracking of social commerce, allowing marketers to easily measure the impact of individual influencers on e-commerce revenue at scale, and integrates key functions of *The Creator Marketplace* ("Marketplace") on IZEA.com. Modules in *Flex* include *Discover*, which allows marketers to search through content from millions of influencer social profiles while filtering across channels, demographics, and interests; *ContentMine*, a content management tool that collects and measures influencer content, provides real-time insights and A.I. content analysis from *BrandGraph*; *ShareMonitor*, a multi-platform social monitoring tool that allows marketers to monitor hashtags, keywords and brand mentions across leading social platforms; *Integrations* provides deep integrations such as with Google Analytics and Shopify, providing marketers the capability to track influencer campaign metrics such as time on site, engagement and revenue; and *Tracking Links* provides real-time tracking metrics for influencer marketing and can track customer conversions, spend, and purchases when used with other *Flex* modules.

In 2022, we also launched *Marketplace* on IZEA.com, which provides powerful tools for creators to showcase their social handles and the brands and topics they post about, and marketers to easily search and filter creator listings that meet

requirements of their influencer marketing campaigns, including creator-specific predictive audience demographics. *Marketplace* features include Casting Calls which gives marketers and creators a two-way marketplace to connect and collaborate; marketers use Casting Calls to solicit creators for everything from influencing campaigns to full time employment; creators respond directly to Casting Calls with video and text responses.

BrandGraph is a social media intelligence platform offering marketers an analysis of share-of-voice, engagement benchmarking, category spending estimates, influencer identification, and sentiment analysis. The *BrandGraph* platform maps and classifies the complex hierarchy of corporation-to-brand relationships by category and associates social content with brands through a proprietary content analysis engine.

Key Components of Results of Operations

Overall consolidated results of operations are evaluated based on Revenue, Cost of Revenue, Sales and Marketing expenses, General and Administrative expenses, Depreciation and Amortization, and Other Income (Expense), net.

Revenue

We generate revenue from four primary sources: (1) revenue from our managed services when a marketer (typically a brand, agency, or partner) pays us to provide custom content, influencer marketing, amplification, or other campaign management services ("Managed Services"); (2) revenue from fees charged to software customers on their marketplace spend within our platforms ("Marketplace Spend Fees"); (3) revenue from license and subscription fees charged to access our platforms ("License Fees"); and (4) revenue derived from other fees such as inactivity fees, early cash-out fees, and other miscellaneous fees charged to users of our platforms ("Other Fees").

As discussed in more detail within "Critical Accounting Policies and Use of Estimates" under "Note 1. Company and Summary of Significant Accounting Policies," under Part I, Item 1 herein, revenue from Marketplace Spend Fees are reported on a net basis, and revenue from all other sources, including Managed Services, License Fees, and Other Fees are reported on a gross basis. We further categorize these sources into two primary groups: (1) Managed Services and (2) SaaS Services, which includes revenue from Marketplace Spend Fees, License Fees, and Other Fees.

Cost of Revenue

Our cost of revenue consists of direct costs paid to our third-party creators who provide the custom content, influencer marketing, or amplification services for our Managed Service customers, where we report revenue on a gross basis. It also includes internal costs related to our campaign fulfillment and SaaS support departments. These costs include salaries, bonuses, commissions, stock-based compensation, employee benefit costs, and miscellaneous departmental costs related to the personnel responsible for providing support to our customers and ultimately fulfilling our obligations under our contracts with customers.

Sales and Marketing

Our sales and marketing expenses consist primarily of salaries, bonuses, commissions, stock-based compensation, employee benefit costs, travel and miscellaneous departmental costs for our marketing, sales, and sales support personnel, as well as marketing expenses such as brand marketing, public relations events, trade shows, and marketing materials, and travel expenses.

General and Administrative

Our general and administrative ("G&A") expense consists primarily of salaries, bonuses, commissions, stock-based compensation, employee benefit costs, and miscellaneous departmental costs related to our executive, finance, legal, human resources, and other administrative personnel. It also includes travel, public company, investor relations expenses, accounting, legal professional services fees, leasehold facilities, and other corporate-related expenses. G&A expense also includes our technology and development costs consisting primarily of our payroll costs for our internal engineers and contractors responsible for developing, maintaining, and improving our technology, as well as hosting and software subscription costs. These costs are expensed as incurred, except to the extent that they are associated with internal-use software that qualifies for capitalization, which is then recorded as software development costs in the consolidated balance sheet. We also capitalize costs that are related to our acquired intangible assets. Depreciation and amortization related to these costs are separately stated under depreciation and amortization in our consolidated statements of operations and comprehensive loss. G&A expense also includes current period gains and losses on our acquisition costs payable and gains and losses from the sale of fixed assets. Impairments on fixed assets, intangible assets, and goodwill are included as part of general and administrative expense when they are not material and broken out separately in our consolidated statements of operations and comprehensive loss when they are material.

Depreciation and Amortization

Depreciation and amortization expense consists primarily of amortization of our internal-use software and acquired intangible assets from our business acquisitions. To a lesser extent, we also have depreciation and amortization on equipment used by our personnel. Costs are amortized or depreciated over the estimated useful lives of the associated assets.

Other Income (Expense)

Interest Expense. Interest expense is primarily related to the payment plans for the purchase of computer equipment.

Other Income. Other income consists primarily of interest income for interest earned on investments, or changes in the value of our foreign assets and liabilities and foreign currency exchange gains and losses on foreign currency transactions, primarily related to the Canadian Dollar. For 2021, it also includes a gain on the forgiveness of debt related to our PPP loan (see "Liquidity and Capital Resources – PPP Loan") and a gain on the sale of digital assets.

Results of Operations for the Twelve Months Ended December 31, 2022 and 2021

The following table sets forth a summary of our consolidated statements of operations and the change between the periods:

	Twelve Months Ended December 31,		\$ Change	% Change
	2022	2021		
Revenue	\$ 41,095,937	\$ 30,022,377	\$ 11,073,560	37 %
Costs and expenses:				
Cost of revenue	24,737,699	14,461,702	10,275,997	71 %
Sales and marketing	9,523,894	8,795,038	728,856	8 %
General and administrative	11,637,044	11,034,246	602,798	5 %
Depreciation and amortization	828,161	1,089,118	(260,957)	(24) %
Total costs and expenses	46,726,798	35,380,104	11,346,694	32 %
Loss from operations	(5,630,861)	(5,357,727)	(273,134)	5 %
Other income (expense):				
Interest expense	(799)	(25,320)	24,521	(97) %
Other income (expense), net	1,162,162	2,242,426	(1,080,264)	(48) %
Total other income (expense), net	1,161,363	2,217,106	(1,055,743)	(48) %
Net Loss	\$ (4,469,498)	\$ (3,140,621)	\$ (1,328,877)	42 %

Revenue

The following table illustrates our revenue by type, the percentage of total revenue by type, and the change between the periods:

	Twelve Months Ended December 31,		\$ Change	% Change
	2022	2021		
Managed Services Revenue	\$ 39,456,986	96 % \$ 28,203,556	94 % \$ 11,253,430	40 %
Marketplace Spend Fees	205,809	2 % 319,419	1 % (113,610)	(36) %
License Fees	1,301,198	3 % 1,454,874	5 % (153,676)	(11) %
Other Fees	131,944	— % 44,528	— % 87,416	196 %
SaaS Services Revenue	1,638,951	4 % 1,818,821	6 % (179,870)	(10) %
Total Revenue	\$ 41,095,937	100 % \$ 30,022,377	100 % \$ 11,073,560	37 %

Managed Services revenue during the twelve months ended December 31, 2022, increased 40% from the same period in 2021, primarily due to revenue from one large customer contract, which comprised over one-third of the increase in managed services revenue. All performance obligations related to this contract will be complete in 2023. The balance of the increase in Managed Services revenue is due to growth in orders from new and existing customers expanding their marketing efforts as compared to the prior year.

SaaS Services revenue, which includes license and support fees to access the platform services, and fees earned on the marketers' self-service use of our technology platforms to manage their content workflow and influencer marketing campaigns, declined 10% from the same period in 2021, due to:

- *Marketplace Spend Fees* decreased by approximately \$0.1 million for the twelve months ended December 31, 2022, when compared with the same period in 2021, primarily as a result of lower spend levels from our marketers and lower fees assessed on those spends as a result of competitive pricing efforts. Revenue from Marketplace Spend Fees represents our net margins received on this business.
- *License Fees* revenue decreased by approximately \$0.2 million for the twelve months ended December 31, 2022, when compared to the same period of 2021. The decrease in license fees was partially offset by an increase in subscribers, albeit at lower rates. Additionally, we implemented a competitive standardized pricing system for all license fee customers.
- *Other Fees* revenue increased by approximately \$0.1 million for the twelve months ended December 31, 2022, compared to the same period in 2021, due to a customer deposit forfeiture. Nonrefundable deposits are collected from certain customers due to defined minimum spend per the contract or prepayment required for identified credit issues. Customers do not typically forfeit deposits held on account.

Cost of Revenue

Cost of revenue for the twelve months ended December 31, 2022, increased by \$10.3 million, or approximately 71%, compared to the same period in 2021 primarily due to the increase in Managed Services revenue. Cost of revenue as a percentage of revenue increased from 48% in 2021 to 60% in 2022, due primarily to several large contracts in the current period that carry a lower average margin.

Sales and Marketing

Sales and marketing expense for the twelve months ended December 31, 2022, increased by \$0.7 million, or approximately 8%, compared to the same period in 2021. Advertising and marketing expense remained consistent with the prior year, promoting brand awareness, and improving customer acquisition, satisfaction, and retention. Payroll, personnel-related expense, and stock compensation for sales and marketing personnel increased primarily due to additional headcount and associated payroll costs.

General and Administrative

General and administrative expense for the twelve months ended December 31, 2022, increased by \$0.6 million, or approximately 5%, compared to the same period in 2021. The increase in general and administrative expense was primarily due to \$0.5 million higher spend on professional services related to accounting services, \$0.7 million higher spend on software, licenses, and web hosting services, and \$0.3 million higher spend on travel as we return to pre-pandemic conditions. Contractor costs decreased by \$0.09 million due to the capitalization of software development hours offset by the costs of additional engineers to supplement our team working to expand our technology offerings.

Depreciation and Amortization

Depreciation and amortization expense for the twelve months ended December 31, 2022, decreased by \$0.3 million, or approximately 24%, compared to the same period in 2021.

Depreciation expense on property and equipment was approximately \$0.1 million for the twelve months ended December 31, 2022, and 2021. Depreciation expense decreased due to the disposal of aging equipment in 2022.

Amortization expense was approximately \$0.7 million and \$1.0 million for the twelve months ended December 31, 2022, and 2021, respectively. Amortization expense related to intangible assets acquired in the Ebyline, ZenContent, and TapInfluence acquisitions was \$0 for the twelve months ended December 31, 2022 and \$0.5 million for the twelve months ended December 31, 2021, while amortization expense related to internal-use software development costs was \$0.7 million and \$0.5 million for the twelve months ended December 31, 2022, and 2021, respectively. Amortization on our intangible acquisition assets was fully amortized in 2021. Amortization on our internal software costs is increasing due to the development of *Flex* and *Marketplace* in 2022. Significant development on *Flex* will continue into 2023.

Other Income (Expense)

Interest expense totaled \$0.8 thousand during the twelve months ended December 31, 2022. Interest expense in 2021 included approximately \$24,000 related to the write-off of capitalized loan acquisition costs on the secured credit facility that we canceled in 2021.

Other income, net totaled \$1.2 million in investment portfolio interest income for the twelve months ended December 31, 2022, compared to \$2.2 million in the prior year period, which included \$1.9 million of income related to the forgiveness of debt for the PPP Loan and a \$0.2 million gain on the sale of cryptocurrency.

Net Loss from Operations

Net loss for the twelve months ended December 31, 2022, was \$4.4 million, a \$1.3 million increase in the net loss of \$3.1 million for the same period in 2021. The increase in net loss was the result of no income earned related to the forgiveness of debt in the current year offset by increased interest income. Net loss from operations increased \$0.3 million over the prior year.

Other Comprehensive Loss

Comprehensive loss includes \$0.8 million in unrealized losses on investment securities, which, if held to maturity, will settle at par without loss.

Key Metrics

We review the information provided by our key financial metrics, Managed Services Bookings and gross billings, to assess the progress of our business and make decisions on where to allocate our resources. As our business evolves, we may change the key financial metrics in future periods.

Managed Services Bookings

Managed Services Bookings is a measure of all sales orders received during a time period less any cancellations received, or refunds given during the same time period. Sales order contracts vary in complexity with each customer and range from custom content delivery to integrated marketing services; our contracts generally run from several months for smaller contracts up to twelve months for larger contracts. We recognize revenue from our Managed Services contracts on a percentage of completion basis as we deliver the content or services over time, which can vary greatly. Historically, bookings have converted to revenues over a 6-month period on average. However, since late 2020, we have been receiving increasingly larger and more complex sales orders which, in turn, has lengthened the average revenue period to approximately 9-months, with the largest contracts taking longer to complete. For this reason, Managed Services Bookings, while an overall indicator of the health of our business, may not be used to predict quarterly revenues, and could be subject to future adjustment. Managed Services Bookings is useful information as it reflects the amount of orders received in one period, even though revenue from those orders may be reflected over varying amounts of time. Management uses the Managed Services Bookings metric to plan its operating staff, to identify key customer group trends to enlighten go-to-market activities, and to inform its product development efforts. Managed Services Bookings for the twelve months ended December 31, 2022, and 2021, was \$37.5 million and \$39.5 million, respectively.

Gross Billings by Revenue Type

Company management evaluates our operations and makes strategic decisions based, in part, on our key metric of gross billings from our two primary types of revenue, Managed Services, and SaaS Services. We define gross billings as the total dollar value of the amounts charged to our customers for the services we perform, and the amounts billed to our SaaS customers for their self-service purchase of goods and services on our platforms. The amounts billed to our SaaS customers are on a cost-plus basis. Gross billings are therefore the amounts of our reported revenue plus the cost of payments we made to third-party creators providing the content or sponsorship services, which are netted against revenue for generally accepted accounting principles in the U.S. ("GAAP") reporting purposes.

Managed Services gross billings include the total dollar value of the amounts billed to our customers for the services we perform. Gross billings for Managed Services are the same as Managed Services Revenue reported for those services in our consolidated statements of operations and comprehensive loss in accordance with GAAP.

SaaS Service gross billings include license and other fees together with the total amounts billed to our SaaS customers for their self-service purchase of goods and services on our platforms, termed 'Marketplace Spend Fees.' Our SaaS customers' marketplace spend is billed on a cost-plus basis. SaaS Services Revenue includes the total of License and Other Fees gross billings, plus the Marketplace Spend Fees gross billings (which includes our third-party creator costs on those billings that are netted against revenue for GAAP reporting purposes).

We consider gross billings to be an important indicator of our potential performance as it measures the total dollar volume of transactions generated through our marketplaces. Tracking gross billings allows us to monitor the percentage of gross billings that we retain after payments to our creators. Additionally, tracking gross billings is critical as it pertains to our credit risk and cash flows. We invoice our customers based on our services performed or based on their self-service transactions plus our fee. Then we remit the agreed-upon transaction price to the creators. If we do not collect the money from our customers prior to paying our creators, we could experience large swings in our cash flows. Additionally, we incur the credit risk to collect amounts owed from our customers for all services performed by us or by the creators. Finally, gross billings allow us to evaluate our transaction totals on an equal basis to see our contribution margins by revenue stream so that we can better understand where we should be allocating our resources.

The following tables set forth our gross billings by revenue type, the percentage of total gross billings by type, and the change between the periods:

	Twelve Months Ended December 31,				\$ Change	% Change
	2022		2021			
Managed Services Gross Billings	\$ 39,456,986	90%	\$ 28,203,556	84%	\$ 11,253,430	40%
Marketplace Spend Fees	3,109,719	7%	3,970,308	12%	(860,589)	(22)%
License Fees	1,301,198	3%	1,454,874	4%	(153,676)	(11)%
Other Fees	131,944	—%	44,528	—%	87,416	196%
SaaS Services Gross Billings	4,542,861	10%	5,469,710	16%	(926,849)	(17)%
Total Gross Billings	\$ 43,999,847	100%	\$ 33,673,266	100%	\$ 10,326,581	31%

Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is a “non-GAAP financial measure” under the rules of the Securities and Exchange Commission (the “SEC”). We define Adjusted EBITDA as earnings or loss before interest, taxes, depreciation and amortization, non-cash stock-based compensation, gain or loss on asset disposals or impairment, and certain other unusual or non-cash income and expense items such as gains or losses on settlement of liabilities and exchanges, and changes in the fair value of derivatives, if applicable.

We use Adjusted EBITDA as a measure of operating performance, for planning purposes, to allocate resources to enhance the financial performance of our business and in communications with our Board of Directors regarding our financial performance. We believe that Adjusted EBITDA also provides valuable information to investors as it excludes non-cash transactions, and it provides consistency to facilitate period-to-period comparisons.

You should not consider Adjusted EBITDA in isolation or as a substitute for an analysis of our results of operations as under GAAP. All companies do not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. Moreover, Adjusted EBITDA has limitations as an analytical tool, including that Adjusted EBITDA:

- does not include stock-based compensation expense, which is a non-cash expense, but has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an essential part of our compensation strategy;
- does not include stock issued for payment of services, which is a non-cash expense, but has been, and is expected to be for the foreseeable future, an important means for us to compensate our directors, vendors, and other parties who provide us with services;
- does not include depreciation and intangible assets amortization expense, impairment charges and gains or losses on disposal of equipment, which is not always a current period cash expense, but the assets being depreciated and amortized may have to be replaced in the future; and
- does not include interest expense and other gains, losses, and expenses that we believe are not indicative of our ongoing core operating results, but these items may represent a reduction or increase in cash available to us.

Because of these limitations, Adjusted EBITDA should not be considered a measure of discretionary cash available to us to invest in the operation and growth of our business or as a measure of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP financial measures as supplements. In evaluating this non-GAAP financial measure, you should be aware that in the future, we may incur expenses similar to those for which adjustments are made in calculating Adjusted EBITDA. Our presentation of this non-GAAP financial measure should also not be construed to infer that our future results will be unaffected by unusual or non-recurring items.

The following table sets forth a reconciliation from the GAAP measurement of net loss to our non-GAAP financial measure of Adjusted EBITDA for the twelve months ended December 31, 2022, and 2021:

	Twelve Months Ended December 31,	
	2022	2021
Net loss	\$ (4,469,498)	\$ (3,140,621)
Gain on the forgiveness of debt	—	(1,927,220)
Gain on the sale of digital assets	—	(189,307)
Impairment of digital assets	148,310	3,412
Non-cash stock-based compensation	610,772	878,739
Non-cash stock issued for payment of services	125,000	147,329
Interest expense	799	25,320
Depreciation and amortization	828,161	1,089,118
Other non-cash items	(7,674)	(22,022)
Adjusted EBITDA	<u>\$ (2,764,130)</u>	<u>\$ (3,135,252)</u>
Revenue	<u>\$ 41,095,937</u>	<u>\$ 30,022,377</u>
Adjusted EBITDA as a % of Revenue	<u>(7)%</u>	<u>(10)%</u>

Liquidity and Capital Resources

Near-Term Liquidity and Capital Resources

The Company's primary cash needs have historically been funding the development and integration of our technology platforms used in its business, marketing expenses, and general and administrative ("G&A") expenses including salaries, bonuses, and commissions. The Company has incurred losses and negative cash flow from operations for most periods since inception, primarily the result of costs associated with third-party creators, salaries, bonuses and stock-based compensation, and other G&A expenses, including technology and development costs, which has resulted in a total accumulated deficit of \$78.1 million as of December 31, 2022. While we have not achieved profitability, we believe we have sufficient resources to fund operations and planned investments for at least the next twelve months.

We had cash and cash equivalents of \$24.6 million as of December 31, 2022, as compared to \$75.4 million as of December 31, 2021. This decrease of \$50.8 million is primarily the result of investment of cash pursuant to our investment policy, \$29.3 million of which is classified as long-term investments and \$16.1 million classified as short-term investments, with the balance for the change primarily due to operating losses.

	Twelve Months Ended December 31,	
	2022	2021
Net cash (used for)/provided by:		
Operating activities	\$ (3,057,112)	\$ (2,566,999)
Investing activities	(47,698,907)	(26,169)
Financing activities	(76,316)	44,981,238
Net increase in cash and cash equivalents	<u>\$ (50,832,335)</u>	<u>\$ 42,388,070</u>

Net cash used for operating activities was \$3.1 million during the twelve months ended December 31, 2022 and is primarily the result of continued use of cash to cover operating losses. Net cash used for investing activities was \$47.7 million during the twelve months ended December 31, 2022, primarily due to the purchase and sale of marketable securities. Net cash used for financing activities during the twelve months ended December 31, 2022, was \$76.3 thousand, which consisted primarily of proceeds from stock option exercises offset by payments on shares withheld for taxes.

Long-Term Liquidity

We anticipate that our operating expenses will increase in the foreseeable future as we continue to pursue the expansion of our business. We currently believe that we have adequate cash and invested resources to fund our business growth for the next twelve months, however, should additional capital become necessary, we expect these funds would be financed predominately through proceeds from future equity, equity-based, or debt offerings, unless and until our operations are

profitable and sustain our ongoing capital needs. As a result, our business success could depend, to a significant extent, upon our ability to obtain the funding necessary to support our operations.

Financial Condition and Outlook

Since 2020, our business operations and results have been impacted by economic impacts of supply-chain issues, labor disruption, business closures, and recently, inflationary pressures. Additionally, the broadening unenthusiastic economic outlook may be affecting marketing budgets as evidenced by the softness in bookings the Company has experienced through the fourth quarter of 2022. We also announced in January 2023 that we began the process of parting ways with a single large customer that, while having a significant impact on Managed Services revenue growth, carried margins that were 40% to 50% lower than our core business. While our recent bookings have not met expectations, we see evidence of continued demand for influencer marketing services in our pipeline, and despite opportunities taking longer to close, we believe that our base business remains strong. However, these matters, taken together, could have a further material adverse impact on our business, results of operations, and financial position in future periods.

Critical Accounting Policies and Use of Estimates

We prepare our financial statements according to GAAP. Certain accounting policies require that we apply significant judgment in defining the appropriate assumptions for calculating financial estimates. These judgments will be subject to an inherent degree of uncertainty by their nature. Our judgments are based upon the historical experience of the Company, terms of existing contracts, observance of trends in the industry, the information provided by our customers, and information available from other outside sources, as appropriate. For a summary of our significant accounting policies, please refer to Note 1 — Company and Summary of Significant Accounting Policies of this Annual Report. We consider accounting estimates to be critical accounting policies when:

- The estimates involve matters that are highly uncertain at the time the accounting estimate is made; and
- Different estimates or changes to estimates could have a material impact on the reported financial position, changes in financial position, or results of operations.

When more than one accounting principle, or method of its application, is generally accepted, we select the principle or method that we consider the most appropriate when given the specific circumstances. The application of these accounting principles requires us to estimate the future resolution of existing uncertainties. Due to the inherent uncertainty involving estimates, actual results reported in the future may differ from our estimates. The following critical accounting policies are significantly affected by judgments, assumptions, and estimates used to prepare the financial statements.

Accounts Receivable and Concentration of Credit Risk

Accounts receivable are customer obligations due under normal trade terms. We consider an account delinquent when the customer has not paid its balance due by the associated due date. Collectability risk of accounts receivable is not significant since most customers are bound by contract and are required to fund us for all the costs of an “opportunity,” defined as an order created by a marketer for a creator to develop or share content on behalf of a marketer. If a portion of the account balance is deemed uncollectible, we will either write off the amount owed or provide a reserve based on our best estimate of the uncollectible portion of the account. Management estimates the collectability of accounts by regularly evaluating individual customer receivables and considering a customer’s financial condition, credit history, and current economic conditions. We had a reserve of \$0.2 million for doubtful accounts as of December 31, 2022. We believe that this estimate is reasonable, but there can be no assurance that the estimate will not change due to a shift in economic or business conditions within the industry, the individual customers, or our Company. Any adjustments to this account are reflected in the consolidated statements of operations as a general and administrative expense. Bad debt expense was less than 1% of revenue for each of the twelve months ended December 31, 2022 and 2021.

Concentrations of credit risk in accounts receivable were typically limited because many geographically diverse customers make up our customer base, thus spreading the trade credit risk. We control credit risk through credit approvals, credit limits, and monitoring procedures. We perform credit evaluations of our customers but generally do not require collateral to support accounts receivable. We had three customers that accounted for 64% of total accounts receivable on December 31, 2022. We had one customer that accounted for 29% of our revenue during the twelve months ended December 31, 2022. We had three customers that accounted for 38% of total accounts receivable on December 31, 2021. One customer accounted for 14% of our revenue during the twelve months ended December 31, 2021.

Software Development Costs and Acquired Intangible Software

In accordance with Accounting Standards Codification (“ASC”) 350-40, *Internal Use Software*, we capitalize certain internal-use software development costs associated with creating and enhancing internally developed software related to our platforms. Software development activities generally consist of three stages (i) the research and planning stage, (ii) the

application and development stage, and (iii) the post-implementation stage. Costs incurred in the research and planning stage and the post-implementation stage of software development or other maintenance and development expenses that do not meet the qualification for capitalization are expensed as incurred. Costs incurred in the application and development stage, including significant enhancements and upgrades, are capitalized. These costs include personnel and related employee benefits expenses for employees or consultants directly associated with and who devote time to software projects and external direct costs of materials obtained in developing the software. We also capitalize certain costs related to cloud computing arrangements ("CCAs"). We have capitalized software development costs of \$1.8 million, net of amortization, in the consolidated balance sheet as of December 31, 2022. These costs are reflected as intangible assets in the consolidated balance sheet as of December 31, 2022. We do not transfer ownership of our software to third parties. These software developments and CCA costs are amortized on a straight-line basis over the estimated useful life of five years upon initial release of the software or additional features. We review the software development costs for impairment when circumstances indicate that their carrying amounts may not be recoverable. If the carrying value of an asset group is not recoverable, we recognize an impairment loss for the excess of carrying value over the fair value in our consolidated statements of operations and comprehensive loss.

Goodwill

Goodwill represents the excess of the consideration transferred for an acquired business over the fair value of the underlying identifiable net assets. We have goodwill in connection with our acquisitions of Ebyline, ZenContent, and TapInfluence. Goodwill is not amortized, but instead, it is tested for impairment at least annually. If management determines that the value of goodwill has become impaired, we will record a charge for the amount of impairment during the fiscal quarter in which the determination is made.

Goodwill is required to be tested for impairment at the reporting unit level. A reporting unit is an operating segment or one level below the operating segment level, which is referred to as a component. Management identifies its reporting units by assessing whether components (i) have discrete financial information available; (ii) engage in business activities; and (iii) whether a segment manager regularly reviews the component's operating results. Net assets and goodwill of acquired businesses are allocated to the reporting unit associated with the acquired business based on the anticipated organizational structure of the combined entities. If two or more components are deemed economically similar, those components are aggregated into one reporting unit when performing the annual goodwill impairment review. We have determined that we have one reporting unit.

In accordance with ASC 350-20, management's practice is to assess the carrying value of the Company's goodwill for impairment annually as of October 1, or more frequently during interim periods if events or changes in circumstances indicate it may be impaired. To conduct its 2022 assessment, the Company elected to perform an independent quantitative goodwill impairment test, which determined the fair value of the equity of the Company exceeded the carrying value of our goodwill. Additionally, Management determined that as of December 31, 2022, no indicators were present that would trigger an interim impairment test, and that as of December 31, 2022, there is no impairment.

Purchase, Disposal, and Impairment of Digital Assets

Historically, we mined digital assets (mining operations ceased in 2019) and purchased digital assets on exchanges. In 2021, we announced that we will accept payments in digital assets for our services from customers. We will also pay our creators in digital assets, if requested.

We record our digital assets in accordance with ASC 350, *Intangibles - Goodwill and other*, which requires acquired intangible assets to be recorded at cost. Under FASB ASC 350, an entity should determine whether an intangible asset has a finite or indefinite life. FASB ASC 350-30-35-4 states that if no legal, regulatory, contractual, competitive, economic, or other factors limit the useful life of an intangible asset to the reporting entity, the useful life of the asset should be considered indefinite. We will record our digital assets as an indefinite-lived intangible asset.

We have conducted our transactions using the Coinbase platform in the past, so we use Coinbase to determine what the fair value of our digital assets. We consider Coinbase to be an active market with quoted prices. Based on the fair value level hierarchy, we have determined the market to be observable and Level 1.

Purchased digital assets will be initially recorded at cost, including transaction fees.

Digital assets may be disposed of through Coinbase. The conversion of digital assets to USD, or other fiat currency, will not be considered ordinary business activities and will follow the guidance within ASC 610-20. Proceeds are not reported as revenue, but the excess over carrying value will be reported as a gain. Digital assets will be subject to impairment testing prior to derecognition, therefore significant losses are not expected upon derecognition. We will use FIFO for tracking our digital assets.

Indefinite-lived intangible assets are initially carried at the value determined in accordance with FASB ASC 350-30-30-1 and are not subject to amortization. Rather, they should be tested for impairment annually or more frequently if events of changes in circumstance indicate it is more likely than not that the asset is impaired. When an identical digital asset is bought and sold at a price lower than the entity's current carrying value, this will serve as an indicator that impairment is more likely than not. In determining if an impairment has occurred, we will consider the lowest market price of one unit of digital asset quoted on the active exchange since acquiring the digital asset. Each individual acquisition of digital asset represents a unit of account for impairment testing. If the then current carrying value of our digital assets is more than the fair value, an impairment loss has occurred. We will adjust the carrying value and the loss will be reflected as an operating expense.

Revenue Recognition

We generate revenue from four primary sources: (1) Managed Services; (2) Marketplace Spend Fees; (3) License Fees; and (4) Other Fees.

We recognize revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Under ASC 606, revenue is recognized based on a five-step model as follows: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) performance obligations are satisfied. The core principle of ASC 606 is that revenue is recognized when the transfer of promised goods or services to customers is made in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We apply the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are distinct performance obligations. We also determine whether it acts as an agent or a principal for each identified performance obligation. For transactions in which we act as a principal, revenue is reported on a gross basis as the amount paid by the marketer for the purchase of content or sponsorship, promotion, and other related services and record the amounts we pay to third-party creators as cost of revenue. For transactions in which we act as an agent, revenue is reported on a net basis as the amount charged to the self-service marketer using our platforms, less the amounts paid to the third-party creators providing the service.

We maintain separate arrangements with each marketer and content creator either in the form of a master agreement or terms of service, which specify the terms of the relationship and access to our platforms or by a statement of work, which sets the price and the services to be performed, along with other terms. The transaction price is determined based on the fixed fee stated in the statement of work and does not contain variable consideration. Marketers who contract with us to manage their advertising campaigns or custom content requests may prepay for services or request credit terms, and payment terms are typically 30 days from the invoice date. The agreement typically provides for either a non-refundable deposit or a cancellation fee if the customer cancels the agreement prior to completing the services. Billings in advance of completed services are recorded as a contract liability until earned. We assess collectability based on several factors, including the creditworthiness of the customer and payment and transaction history.

Managed Services Revenue

For Managed Services Revenue, we agree to provide services that may include multiple distinct performance obligations in the form of (i) an integrated marketing campaign to provide influencer marketing services, which may include the provision of blogs, tweets, photos, or videos shared through social network offerings and content promotion, such as click-through advertisements appearing in websites and social media channels, and (ii) custom content items, such as a research or news article, informational material or videos. Marketers typically purchase influencer marketing services to provide public awareness or advertising buzz regarding the marketer's brand and purchase custom content for internal and external use. We may provide one type or a combination of all types of these performance obligations on a statement of work for a lump sum fee. We allocate revenue to each performance obligation in the contract at inception based on its relative standalone selling price. These performance obligations are to be provided over a stated period that generally ranges from one day to one year. Revenue is accounted for when the performance obligation has been satisfied, depending on the type of service provided. We view our obligation to deliver influencer marketing services, including management services, as a single performance obligation that is satisfied over time as the customer receives the benefits from the services. Revenue is recognized using an input method of costs incurred compared to total expected costs to measure the progress towards satisfying the overall performance obligation of the marketing campaign. The delivery of custom content represents a distinct performance obligation that is satisfied over time when each piece of content is delivered to the customer. Revenue is recognized over time using an output method based on when each piece of content is delivered to the customer. Based on our evaluations, revenue from Managed Services is reported on a gross basis because we have the primary obligation to fulfill the performance obligations, and we create, review, and control the services. We take on the risk of payment to any third-party creators and establish the contract price directly with our customers based on the services requested in the statement of work.

Marketplace Spend Fees Revenue

For Marketplace Spend Fees Revenue, the self-service customers instruct creators found through our platforms to provide and/or distribute custom content for an agreed-upon transaction price. Our platforms control the contracting, description of services, acceptance, and payment for the requested content. This service is used primarily by news agencies or marketers to manage the outsourcing of their content and advertising needs. We charge the self-service customer the transaction price plus a fee based on the contract. Revenue is recognized when the transaction is completed by the creator and accepted by the marketer or, if related to influencer marketing services, over the content posting period as verified by the platform. This revenue is reported on a net basis since we are acting as an agent through our platform for the third-party creator to provide the services or content directly to the self-service customer or to post approved content through one or more social media platforms.

License Fees Revenue

License Fees Revenue is generated by granting limited, non-exclusive, non-transferable access for customers to use our technology platforms for an agreed-upon subscription period. Customers access the platforms to manage their influencer marketing campaigns. Fees for subscription or licensing services are recognized straight-line over the term of the service.

Other Fees Revenue

Other Fees Revenue is generated when fees are charged to our platform users primarily related to monthly plan fees, inactivity fees, and early cash-out fees. Plan fees are recognized within the month they relate to, inactivity fees are recognized at a point in time when the account is deemed inactive, and early cash-out fees are recognized when a cash-out is either below certain minimum thresholds or when accelerated payout timing is requested.

We do not typically engage in contracts longer than one year. Therefore, we do not capitalize costs to obtain its customer contracts as these amounts generally would be recognized over a period of less than one year and are not material.

Stock-Based Compensation

Stock-based compensation is measured at the grant date, based on the award's fair value, and is recognized as an expense over the employee's requisite service period. We estimate the fair value of each stock option as of the date of grant using the Black-Scholes pricing model. Options typically vest ratably over four years, with one-fourth of options vesting one year from the date of grant and the remaining options vesting monthly, in equal increments over the remaining three-year period and generally having five or ten-year contract lives. We use the simplified method to estimate the expected term of employee stock options. We do not believe historical exercise data will provide a reasonable basis for estimating the expected term for the current share options granted. The simplified method assumes that employees will exercise share options evenly between the period when the share options are vested and ending on the date when the options expire. We use the closing stock price of our common stock on the date of the grant as the associated fair value of our common stock. For issuances after June 30, 2019, we estimate the volatility of our common stock at the date of grant based on the volatility of our stock during the period. For issuances on or before June 30, 2019, we estimated the volatility of our common stock at the date of grant based on the volatility of comparable peer companies that were publicly traded and had a longer trading history than us. We determine the expected life based on historical experience with similar awards, considering the contractual terms, vesting schedules, and post-vesting forfeitures. We use the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends in the foreseeable future. We estimate forfeitures when recognizing compensation expense. This estimate of forfeitures is adjusted over the requisite service period based on the extent to which actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures are recognized through a cumulative catch-up adjustment, which is recognized in the period of change, and a revised amount of unamortized compensation expense to be recognized in future periods.

The following table shows the number of stock options granted under our 2011 Equity Incentive Plans and the assumptions used to determine the fair value of those options during the twelve months ended December 31, 2022, and 2021:

Twelve Months Ended	Total Options Granted	Weighted Average Exercise Price	Weighted Average Expected Term	Weighted Average Volatility	Weighted Average Risk-Free Interest Rate	Expected Dividends	Weighted Average Grant Date Fair Value	Weighted average expected forfeiture rate
December 31, 2021	296,569	\$ 2.60	6.0 years	120.18%	0.98%	—	\$ 2.25	11.74%
December 31, 2022	125	\$ 1.15	5.0 years	120.48%	1.70%	—	\$ 1.15	37.00%

Total stock-based compensation expense recorded in our consolidated statements of operations for restricted stock, restricted stock units, stock options, and employee stock purchase plan issuance during the twelve months ended December 31, 2022, and 2021 were \$0.6 million and \$0.9 million, respectively.

There were outstanding options to purchase 1,665,164 shares with a weighted average exercise price of \$2.83 per share, of which options to purchase 1,375,569 shares were exercisable with a weighted average exercise price of \$3.06 per share, as of December 31, 2022. The intrinsic value on outstanding options as of December 31, 2022, was \$63,325. The intrinsic value on exercisable options as of December 31, 2022, was \$48,651.

As of December 31, 2022, we had unvested restricted stock units representing 1,317,153 shares of common stock with an intrinsic value of \$0.7 million and 286 unvested shares of issued restricted stock with an intrinsic value of \$155.

Recent Accounting Pronouncements

See "Note 1. Company and Summary of Significant Accounting Policies," under Part II, Item 8 of this Annual Report for information on additional recent pronouncements.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to smaller reporting companies.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors
IZEA Worldwide, Inc.
Orlando, Florida

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of IZEA Worldwide, Inc. and subsidiaries (the "Company") as of December 31, 2021, the related consolidated statement of operations and comprehensive loss, stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we were required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ BDO USA, LLP

We served as the Company's auditor from 2015 to 2021.

Orlando, Florida

March 31, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
IZEA Worldwide, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheet of IZEA Worldwide, Inc. (a Nevada corporation) and subsidiaries (the "Company") as of December 31, 2022 and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Estimated Costs to Complete on Managed Services Revenue Stream

As described further in Note 1 to the financial statements, Managed Services Revenue, whereby the Company is providing an integrated marketing campaign service, is recognized using an input method of costs incurred compared to total expected costs to measure the progress towards satisfying the overall performance obligation of the integrated marketing campaign. We identified the estimated costs to complete on the Company's obligation to provide influencer marketing services on Managed Services contracts which have not been completed as of December 31, 2022, as a critical audit matter.

The principal consideration for our determination that the estimated costs to complete on Managed Services contracts which have not been completed as of December 31, 2022, is a critical audit matter is that the determination of the total estimated costs and progress toward completion on contracts not completed requires management to make significant estimates primarily related to applicable promotional and creator costs needed to complete contracts. Changes in these estimated costs can have a significant impact on the timing in which revenue is recognized. Auditing such estimates involved especially subjective auditor judgment to determine the reasonableness of management's assumptions and estimates that are used to determine the amount of revenue to recognize.

Our audit procedures related to the estimation of costs to complete on Managed Services contracts which have not been completed as of December 31, 2022, included the following, among others.

- Evaluated management’s ability to accurately estimate total costs to complete by performing a retrospective review comparing expected margins to realized margins on all Managed Services Contracts that were open and/or completed during the year ended December 31, 2022
- Inspected evidence of costs incurred, to ensure completeness and accuracy of the data used in the calculation of costs incurred compared to total expected costs, on a sample of Managed Services contracts
- Recomputed the revenue recognized on a sample of Managed Services contracts to ensure mathematical accuracy of the calculation of costs incurred compared to total expected costs
- Assessed the reasonableness of the estimated costs to complete by inquiring of marketing campaign management team members about the status of completion, including corroboration of project status by verification of project deliverables

Goodwill Impairment Analysis

As described further within Note 1 of the financial statements, goodwill is assessed annually for impairment as of October 1, or more frequently if certain indicators are present. As a result of the annual goodwill impairment valuation, it was determined that the fair value of the reporting unit exceeded its’ carrying value, resulting in no impairment. We identified the valuation as a critical audit matter because of the significant judgments made by management to estimate the fair value of the goodwill.

The principal considerations for our determination that the annual goodwill impairment evaluation is a critical matter is that there is significant judgment required in estimating the fair value of the Company. The Company’s fair value estimates were sensitive to key assumptions including the projected software development expenditures, projected earnings before interest, taxes, depreciation, and amortization (EBITDA), discount rate, and revenue multiple.

Our audit procedures related to the goodwill impairment analysis included the following, among others:

- Evaluated management’s ability to accurately forecast software development expenditures and EBITDA by (1) comparing projected amounts to prior historical periods and trends, (2) obtaining an understanding of drivers underlying projected amounts, including consideration of industry information and economic trends, and (3) performing an analysis to test sensitivity to changes in forecasts
- Utilized valuation specialists to assess the Company’s methodologies and the appropriateness of the discount rate and selected revenue multiple. Our specialists calculated a range of rates using observable market data and market participant inputs and performed an analysis to test sensitivity to changes in the discount rate and the revenue multiple

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2022

Charlotte, North Carolina
March 31, 2023

IZEA Worldwide, Inc.
Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,600,960	\$ 75,433,295
Accounts receivable, net	5,664,727	7,599,103
Prepaid expenses	3,927,453	2,257,382
Short term investments	16,106,758	—
Other current assets	66,441	100,522
Total current assets	<u>50,366,339</u>	<u>85,390,302</u>
Property and equipment, net of accumulated depreciation	156,774	155,185
Goodwill	4,016,722	4,016,722
Intangible assets, net	64,953	213,263
Software development costs, net	1,774,033	1,019,600
Long term investments	29,296,069	—
Total assets	<u>\$ 85,674,890</u>	<u>\$ 90,795,072</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,968,322	\$ 2,086,892
Accrued expenses	2,130,702	2,502,882
Contract liabilities	11,247,746	11,338,095
Total current liabilities	<u>15,346,770</u>	<u>15,927,869</u>
Finance obligation, less current portion	62,173	10,420
Notes payable, less current portion	—	31,648
Total liabilities	<u>15,408,943</u>	<u>15,969,937</u>
Commitments and Contingencies (Note 8)	—	—
Stockholders' equity:		
Preferred stock; \$0.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock; \$0.0001 par value; 200,000,000 shares authorized; 62,413,929 and 62,044,883, respectively, issued, and outstanding	6,241	6,205
Additional paid-in capital	149,143,567	148,452,498
Accumulated deficit	(78,103,066)	(73,633,568)
Accumulated other comprehensive income (loss)	(780,795)	—
Total stockholders' equity	<u>70,265,947</u>	<u>74,825,135</u>
Total liabilities and stockholders' equity	<u>\$ 85,674,890</u>	<u>\$ 90,795,072</u>

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Operations

	Twelve Months Ended December 31,	
	2022	2021
Revenue	\$ 41,095,937	\$ 30,022,377
Costs and expenses:		
Cost of revenue	24,737,699	14,461,702
Sales and marketing	9,523,894	8,795,038
General and administrative	11,637,044	11,034,246
Depreciation and amortization	828,161	1,089,118
Total costs and expenses	<u>46,726,798</u>	<u>35,380,104</u>
Loss from operations	(5,630,861)	(5,357,727)
Other income (expense):		
Interest expense	(799)	(25,320)
Other income (expense), net	1,162,162	2,242,426
Other income (expense), net	<u>1,161,363</u>	<u>2,217,106</u>
Net loss	<u>\$ (4,469,498)</u>	<u>\$ (3,140,621)</u>
Weighted average common shares outstanding – basic and diluted	62,199,379	60,407,921
Basic and diluted loss per common share	\$ (0.07)	\$ (0.05)

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Comprehensive Loss

	Twelve Months Ended December 31,	
	2022	2021
Net loss	\$ (4,469,498)	\$ (3,140,621)
Other comprehensive income		
Unrealized gain (loss) on securities held	(780,795)	—
Total other comprehensive income (loss)	(780,795)	—
Total comprehensive income (loss)	\$ (5,250,293)	\$ (3,140,621)

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Stockholders' Equity

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2020	50,050,167	\$ 5,005	\$ 102,416,131	\$ (70,492,947)	\$ —	\$ 31,928,189
Sale of securities	11,186,084	1,119	46,543,569	—	—	46,544,688
Stock purchase plan & option exercise issuances	190,835	19	69,570	—	—	69,589
Stock issued for payment of services	30,324	3	147,326	—	—	147,329
Stock issuance costs	—	—	(1,094,929)	—	—	(1,094,929)
Stock-based compensation	827,530	83	878,656	—	—	878,739
Shares withheld to cover statutory taxes	(240,057)	(24)	(507,825)	—	—	(507,849)
Net loss	—	—	—	(3,140,621)	—	(3,140,621)
Balance, December 31, 2021	62,044,883	\$ 6,205	\$ 148,452,498	\$ (73,633,568)	\$ —	\$ 74,825,135
Stock purchase plan & option exercise issuances	95,514	9	32,534	—	—	32,543
Stock issued for payment of services	105,930	11	124,989	—	—	125,000
Stock-based compensation	256,018	25	610,748	—	—	610,773
Shares withheld to cover statutory taxes	(88,416)	(9)	(77,202)	—	—	(77,211)
Unrealized gain/(loss) on securities held	—	—	—	—	(780,795)	(780,795)
Net income (loss)	—	—	—	(4,469,498)	—	(4,469,498)
Balance, December 31, 2022	62,413,929	\$ 6,241	\$ 149,143,567	\$ (78,103,066)	\$ (780,795)	\$ 70,265,947

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Cash Flows

	Twelve Months Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ (4,469,498)	\$ (3,140,621)
Adjustments to reconcile net income (loss) to net cash used for operating activities:		
(Gain) on the forgiveness of debt	—	(1,927,220)
(Gain) on sale of digital assets	—	(189,307)
Impairment of digital assets	148,310	3,412
Depreciation	109,599	130,478
Amortization	718,562	958,640
Stock-based compensation	610,772	878,739
Value of stock issued or to be issued for payment of services	125,000	147,329
(Gain)/Loss on disposal of equipment	(7,674)	(22,022)
Bad debt	—	11,250
Changes in operating assets and liabilities:		
Accounts receivable	1,934,376	(2,403,148)
Prepaid expenses and other current assets	(1,635,990)	(2,090,798)
Accounts payable	(118,570)	(224,083)
Accrued expenses	(381,650)	597,127
Contract liabilities	(90,349)	4,703,225
Net cash used for operating activities	(3,057,112)	(2,566,999)
Cash flows from investing activities:		
Purchase of short term investments	(159,046,221)	—
Proceeds from the sale of short term investments	142,807,176	—
Purchase of long term investments	(41,069,876)	—
Proceeds from the sale of long term investments	11,125,299	—
Purchase of property and equipment, net	(79,006)	(63,046)
Proceeds from sale of property and equipment	36,716	30,324
Purchase of digital assets	—	223,228
Proceeds from the sale of digital assets	—	(216,675)
Increase in software development costs	(1,472,995)	—
Net cash used for investing activities	(47,698,907)	(26,169)
Cash flows from financing activities:		
Proceeds from issuance of common stocks	—	46,544,688
Proceeds from exercise of stock options & ESPP issuances	32,543	69,589
Payments on notes payable and capital leases	(31,648)	(30,261)
Stock issuance costs	—	(1,094,929)
Payments on shares withheld for statutory taxes	(77,211)	(507,849)
Net cash provided by financing activities	(76,316)	44,981,238
Net increase (decrease) in cash and cash equivalents	(50,832,335)	42,388,070
Cash and cash equivalents, beginning of period	75,433,295	33,045,225
Cash and cash equivalents, end of period	\$ 24,600,960	\$ 75,433,295

Supplemental cash flow information:

Interest paid	\$	—	\$	9,968
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Non-cash financing and investing activities:

Equipment acquired with financing arrangement	\$	61,224	\$	—
Fair value of common stock issued for future services	\$	125,000	\$	147,329
PPP loan forgiveness	\$	—	\$	1,927,220

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Notes to the Consolidated Financial Statements

NOTE 1. COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

IZEA Worldwide, Inc. (together with its wholly-owned subsidiaries, “we,” “us,” “our,” “IZEA” or the “Company”) is a Nevada corporation that was founded in February 2006 under the name PayPerPost, Inc. and became a public company in May 2011. In January 2015, IZEA purchased all of the outstanding shares of capital stock of Ebyline, Inc. (“Ebyline”). In March 2016, the Company formed IZEA Canada, Inc., a wholly-owned subsidiary, incorporated in Ontario, Canada, to operate as a sales and support office for IZEA’s Canadian customers. In July 2016, IZEA purchased all the outstanding shares of capital stock of ZenContent, Inc. (“ZenContent”) and in July 2018, a subsidiary of the Company merged with TapInfluence, Inc. (“TapInfluence”). ZenContent, Ebyline, and TapInfluence were merged into IZEA and the legal entities were dissolved in December 2017, December 2019, and December 2020, respectively.

The Company helps power the creator economy, allowing everyone from college students to stay-at-home individuals to celebrities and accredited journalists the opportunity to monetize their content, creativity and influence through global brands and marketers. IZEA compensates these creators for producing unique content, such as long and short-form text, videos, photos, status updates, and illustrations for marketers or distributing such content on behalf of marketers through their websites, blogs, and social media channels.

The Company provides value through managing custom content workflow, creator search and targeting, bidding, analytics, and payment processing. While the majority of the marketers engage the Company to perform these services (the “Managed Services”) on their behalf, they may also access IZEA’s marketplaces to engage creators for influencer marketing campaigns or to produce custom content on a self-service basis by licensing the Company’s technology.

The Company’s primary technology platform, IZEA Exchange (“IZEAx”), is designed to provide a unified ecosystem that enables the creation and publication of multiple types of custom content through its creators’ websites, blogs, and social media channels, including, among others, Twitter, Facebook, YouTube, Twitch, and Instagram. The Company extensively uses this platform to manage influencer marketing campaigns on behalf of the Company’s marketers. This platform is also available directly to the Company’s marketers as a self-service tool and a licensed white label product. During 2022, we re-engineered our influencer marketing platform to align more closely with user requirements, announcing the initial rollout of *IZEA Flex* (“Flex”) in September, and we announced the commercial launch of *Flex* in January 2023. *Flex*, which introduces end-to-end tracking of social commerce, enabling influencer impact at scale, includes eight modules allowing pricing plans that meet a range of users, will replace IZEAx as our primary platform. IZEAx will be sunset in 2023.

In 2020, the Company launched two platforms, *BrandGraph* and *Shake*. *BrandGraph* is a social media intelligence platform that is heavily integrated with IZEAx and now *Flex*, which relies heavily on data from the other platforms but is also available as a stand-alone platform. The platform maps and classifies the complex hierarchy of corporation-to-brand relationships by category and associates social content with brands through a proprietary content analysis engine. *Shake* was a new online marketplace where buyers can quickly and easily hire creators of all types for influencer marketing, photography, design, and other digital services. The *Shake* platform was aimed at digital creatives seeking freelance “gig” work. Creator’s list available “Shakes” on their accounts in the platform and marketers select and purchase creative packages from them through a streamlined chat experience, assisted by ShakeBot - a proprietary, artificial intelligence assistant. *Shake* was sunset in 2022 in conjunction with the launch of *The Creator Marketplace*, which replaces and improves upon *Shake*’s functionality.

In October 2022, we launched *The Creator Marketplace* (“Marketplace”) on IZEA.com, which provides powerful tools for creators to showcase their social handles and the brands and topics they post about, and marketers to easily search and filter creator listing that meet requirements of their influencer marketing campaigns, including creator specific predictive audience demographics. *Marketplace* features include Casting Calls which gives marketers and creators a two-way marketplace to connect and collaborate; marketers use Casting Calls to solicit creators for everything from influencing campaigns to full time employment; creators respond directly to Casting Calls with video and text responses.

The Company’s next generation technology platform, *IZEA Flex* (“Flex”), was launched in December 2022. It is designed with flexibility as a core tenet, allowing marketers to use any combination of independent applications as they see fit. The result is a comprehensive suite of tools that, individually, supercharge influencer marketing efforts and become even more powerful when combined. *Flex* offers eight core modules: *Discover*, *ContentMine*, *ShareMonitor*, *Integrations*, *Tracking Links*, *Contacts*, *Transactions*, and *Campaigns*.

Flex introduces end-to-end tracking of social commerce, allowing marketers to easily measure the impact of individual influencers on e-commerce revenue at scale, and integrates key functions of *The Creator Marketplace* on IZEA.com. Modules in *Flex* included *Discover*, which allows marketers to search through content from millions of influencer social profiles while filtering across channels, demographics, and interests; *ContentMine*, a content management tool that collects and measures influencer content, providing real-time insights and A.I. content analysis from *BrandGraph*; *ShareMonitor*, a multi-platform

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social monitoring tool that allows marketers to monitor hashtags, keywords and brand mentions across leading social platforms; *Integrations* provides deep integrations such as with Google Analytics and Shopify, providing marketers the capability to track influencer campaign metrics such as time on site, engagement and revenue; and, *Tracking Links* provides real-time tracking metrics for influencer marketing and can track customer conversions, spend, and purchases when used with other *Flex* modules.

Principles of Consolidation

The consolidated financial statements include the accounts of IZEA Worldwide, Inc. and its wholly-owned subsidiaries, subsequent to the subsidiaries' individual acquisition, merger, or formation dates, as applicable. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less from the date of purchase to be cash equivalents. Deposits made to Company bank accounts are insured by the FDIC up to a maximum amount of \$250,000. Deposit balances exceeding this limit were approximately \$24.4 million and \$74.9 million as of December 31, 2022, and 2021, respectively.

Accounts Receivable and Concentration of Credit Risk

The Company's accounts receivable balance consists of trade receivables, contract assets, and a reserve for doubtful accounts. Trade receivables are customer obligations due under normal trade terms. Contract assets represent amounts owed for work that has been performed, but not yet billed. The Company had net trade receivables of \$5.7 million and contract assets of \$39,095 at December 31, 2022. The Company had net trade receivables of \$7.6 million and contract assets of \$21,926 at December 31, 2021.

Management determines the collectability of accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. An account is deemed delinquent when the customer has not paid an amount due by its associated due date. If a portion of the account balance is deemed uncollectible, the Company will either write off the amount owed or provide a reserve based on its best estimate of the uncollectible portion of the account. The Company had a reserve for doubtful accounts of \$155,000 as of December 31, 2022, and 2021. Management believes that this estimate is reasonable, but there can be no assurance that the estimate will not change due to a change in economic conditions or business conditions within the industry, the individual customers, or the Company. Any adjustments to this account are reflected in the consolidated statements of operations as a general and administrative expense. The Company did not recognize any bad debt expense for each of the twelve months ended December 31, 2022 and 2021.

Concentrations of credit risk with respect to accounts receivable have been typically limited because a large number of geographically diverse customers make up the Company's customer base, thus spreading the trade credit risk. However, with the Company's addition of SaaS customers, it has increased credit exposure on certain customers who carry significant credit balances related to their marketplace spend. The Company controls credit risk through credit approvals, credit limits, and monitoring procedures. The Company performs credit evaluations of its customers but generally does not require collateral to support accounts receivable. The Company had three customers that accounted for 64% of total accounts receivable at December 31, 2022 and three customers that accounted for 38% of total accounts receivable at December 31, 2021. The Company had one customer that accounted for 29% of its revenue during the twelve months ended December 31, 2022 and one customer that accounted for 14% of its revenue during the twelve months ended December 31, 2021.

Property and Equipment

Property and equipment are recorded at cost, or if acquired in a business combination, at the acquisition date fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer Equipment	3 years
Office Equipment	3 - 10 years
Furniture and Fixtures	5 - 10 years

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The carrying amounts of assets sold or retired and the related accumulated depreciation are eliminated in the year of disposal, with resulting gains or losses included in general and administrative expense in the consolidated statements of operations.

Goodwill

Goodwill represents the excess of the consideration transferred for an acquired business over the fair value of the underlying identifiable net assets. The Company has goodwill in connection with its acquisitions of Ebyline, ZenContent, and TapInfluence. Goodwill is not amortized but instead, it is tested for impairment at least annually. In the event that management determines that the value of goodwill has become impaired, the Company will record a charge in an amount equal to the excess of the reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit during the fiscal quarter in which the determination is made.

Goodwill is required to be tested for impairment at the reporting unit level. A reporting unit is an operating segment or one level below the operating segment level, which is referred to as a component. Management identifies its reporting units by assessing whether components (i) have discrete financial information available, (ii) engage in business activities, and (iii) whether a segment manager regularly reviews the component's operating results. The Company had one reporting unit as of December 31, 2022.

The Company performs its annual impairment tests of goodwill as of October 1 each year, or more frequently, if certain indicators are present. As described in Note 4, the assessments performed in 2021 and 2022 both concluded that the fair value of our reporting unit exceeds its carrying value, including goodwill. The Company concluded in each year that no impairment existed.

Intangible Assets

The Company acquired the majority of its intangible assets through its acquisitions of Ebyline, ZenContent, and TapInfluence. The Company amortized the identifiable intangible assets over periods of 12 to 60 months. See Note 4 for further details.

The Company accounts for its digital assets held as indefinite-lived intangible assets in accordance with ASC 350, Intangibles—Goodwill and Other. The Company maintains ownership of and control over its digital assets and may use third-party custodial services to secure them. The digital assets are initially recorded at cost and are subsequently evaluated for any impairment losses incurred since acquisition. The Company recognized an impairment of \$148,310 on digital assets held as indefinite-lived intangible assets in the twelve months ended December 31, 2022. The Company recognized an impairment of \$3,412 on digital assets held as indefinite-lived intangible assets in the twelve months ended December 31, 2021.

The Company reviews long-lived assets, including software development costs and other intangible assets, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared with the asset's carrying amount to determine if there has been an impairment, which is calculated as the difference between the fair value of the asset and the carrying value. Estimates of future undiscounted cash flows are based on expected growth rates for the business, anticipated future economic conditions, and estimates of residual values. Fair values take into consideration management estimates of risk-adjusted discount rates, which are believed to be consistent with assumptions that marketplace participants would use in their estimates of fair value. The Company did not recognize any impairment charges associated with the Company's acquired intangible assets in the twelve months ended December 31, 2022 and 2021.

Software Development Costs

In accordance with Accounting Standards Codification ("ASC") 350-40, *Internal Use Software*, the Company capitalizes certain internal-use software development costs associated with creating and enhancing internally developed software related to its platforms. Software development activities generally consist of three stages (i) the research and planning stage, (ii) the application and development stage, and (iii) the post-implementation stage. Costs incurred in the research and planning stage and in the post-implementation stage of software development, or other maintenance and development expenses that do not meet the qualification for capitalization, are expensed as incurred. Costs incurred in the application and development stage, including significant enhancements and upgrades, are capitalized. These costs include personnel and related employee benefits expenses for employees or consultants who are directly associated with and who devote time to software projects and external direct costs of materials obtained in developing the software. The Company also capitalizes certain costs associated with cloud computing arrangements ("CCAs"). These software developments, acquired technology, and CCA costs are amortized on a straight-line basis over the estimated useful life of five years upon initial release of the software or additional features. The Company reviews the software development costs for impairment when circumstances indicate that their carrying amounts may not be recoverable. If the carrying value of an asset group is not recoverable, the Company recognizes an

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impairment loss for the excess of carrying value over the fair value in its consolidated statements of operations. See Note 5 for further details.

Leases

Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*, established a right-of-use model that requires a lessee to record a right-of-use asset and a right-of-use liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The Company does not record leases on the balance sheet that have a lease term of 12 months or less at the commencement date.

Revenue Recognition

The Company generates revenue from four primary sources: (1) revenue from its managed services when a marketer (typically a brand, agency, or partner) pays the Company to provide custom content, influencer marketing, amplification, or other campaign management services (“Managed Services”); (2) revenue from fees charged to software customers on their marketplace spend within the Company’s platforms (“Marketplace Spend Fees”); (3) revenue from license and subscription fees charged to access our platforms (“License Fees”); and, (4) revenue derived from other fees such as inactivity fees, early cash-out fees, and other miscellaneous fees charged to users of the Company’s platforms (“Other Fees”).

The Company recognizes revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”). Under ASC 606, revenue is recognized based on a five-step model as follows: (i) identify the contract with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) performance obligations are satisfied. The core principle of ASC 606 is that revenue is recognized when the transfer of promised goods or services to customers is made in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are distinct performance obligations.

The Company also determines whether it acts as an agent or a principal for each identified performance obligation. The determination of whether the Company acts as principal or agent is highly subjective and requires the Company to evaluate a number of indicators individually and as a whole in order to make its determination. For transactions in which the Company acts as a principal, revenue is reported on a gross basis as the amount paid by the marketer for the purchase of content or sponsorship, promotion, and other related services and the Company records the amounts it pays to third-party creators as cost of revenue. For transactions in which the Company acts as an agent, revenue is reported on a net basis as the amount the Company charged to the self-service marketer using the Company’s platforms, less the amounts paid to the third-party creators providing the service.

The Company maintains separate arrangements with each marketer and content creator either in the form of a master agreement or terms of service, which specify the terms of the relationship and access to its platforms or by statement of work, which specifies the price and the services to be performed, along with other terms. The transaction price is determined based on the fixed fee stated in the statement of work and does not contain variable consideration. Marketers who contract with the Company to manage their advertising campaigns or custom content requests may prepay for services or request credit terms. Payment terms are typically 30 days from the invoice date. The agreement typically provides for either a non-refundable deposit or a cancellation fee if the agreement is canceled by the customer prior to completion of services. Billings in advance of completed services are recorded as a contract liability until earned. The Company assesses collectability based on several factors, including the creditworthiness of the customer and payment and transaction history.

Managed Services Revenue

For Managed Services Revenue, the Company enters into an agreement to provide services that may include multiple distinct performance obligations in the form of (i) an integrated marketing campaign to provide influencer marketing services, which may include the provision of blogs, tweets, photos, or videos shared through social network offerings and content promotion, such as click-through advertisements appearing in websites and social media channels, and (ii) custom content items, such as a research or news article, informational material or videos. Marketers typically purchase influencer marketing services to provide public awareness or advertising buzz regarding the marketer’s brand and purchase custom content for internal and external use.

The Company views its obligation to deliver influencer marketing services, including management services, as a single performance obligation that is satisfied over time as the customer receives the benefits from the services. Revenue is recognized using an input method of costs incurred compared to total expected costs to measure the progress towards satisfying the overall

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performance obligation of the marketing campaign. The Company may provide one type or a combination of all types of these influencer marketing services on a statement of work for a lump sum fee. When multiple types of performance obligations exist in a contract, the Company allocates revenue to each distinct performance obligation at contract inception based on its relative standalone selling price. These performance obligations are to be provided over a period that generally ranges from one day to one year. The delivery of custom content represents a distinct performance obligation that is satisfied at a point in time when each piece of content is delivered to the customer. Based on the Company's evaluations, revenue from Managed Services is reported on a gross basis because the Company has the primary obligation to fulfill the performance obligations, and it creates, reviews, and controls the services. The Company takes on the risk of payment to any third-party creators, and it establishes the contract price directly with its customers based on the services requested in the statement of work.

Marketplace Spend Fees Revenue

For Marketplace Spend Fees Revenue, the self-service customers instruct creators found through the Company's platforms to provide and/or distribute custom content for an agreed-upon transaction price. The Company's platforms control the contracting, description of services, acceptance of, and payment for the requested content. This service is used primarily by news agencies or marketers to control the outsourcing of their content and advertising needs. The Company charges the self-service customer the transaction price plus a fee based on the contract. Revenue is recognized when the transaction is completed by the creator and accepted by the marketer or verified as posted by the system. Based on the Company's evaluations, this revenue is reported on a net basis since the Company is acting as an agent through its platform for the third-party creator to provide the services or content directly to the self-service customer or to post approved content through one or more social media platforms.

License Fees Revenue

License Fees Revenue is generated by granting customers limited, non-exclusive, non-transferable access to the Company's technology platforms for an agreed-upon subscription period. Customers access the platforms to manage their influencer marketing campaigns. Fees for subscription or licensing services are recognized straight-line over the term of the service.

Other Fees Revenue

Other Fees Revenue is generated when fees are charged to the Company's platform users primarily related to monthly plan fees, inactivity fees, and early cash-out fees. Plan fees are recognized within the month they relate to, inactivity fees are recognized at a point in time when the account is deemed inactive, and early cash-out fees are recognized when a cash-out is either below certain minimum thresholds or when accelerated payout timing is requested.

The Company does not typically engage in contracts that are longer than one year. Therefore, the Company does not capitalize costs to obtain its customer contracts as these amounts generally would be recognized over a period of less than one year and are not material.

Advertising Costs

Advertising costs are charged to expense as they are incurred, including payments to content creators to promote the Company. Advertising costs charged to operations for the twelve months ended December 31, 2022, and 2021 were approximately \$2.0 million and \$2.0 million, respectively. Advertising costs are included in sales and marketing expense in the accompanying consolidated statements of operations.

Income Taxes

The Company has not recorded federal income tax expense due to its history of net operating losses. Deferred income taxes are accounted for using the balance sheet approach, which requires recognition of deferred tax assets and liabilities for the expected future consequences of temporary differences between the financial reporting basis and the tax basis of assets and liabilities. A valuation allowance is provided when it is more likely than not that a deferred tax asset will not be realized. The Company incurs minimal state franchise tax in four states, which is included in general and administrative expense in the consolidated statements of operations and comprehensive loss.

The Company identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the balance sheet. The Company has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company's tax years subject to examination based on the statute of limitations by the IRS is generally three years; however, the IRS may examine records and other evidence from the year the net operating loss was generated when

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the Company utilizes net operating loss carryforwards in future periods. The Company's tax years subject to examination by the Canadian Revenue Agency is generally four years.

Fair Value of Financial Instruments

The Company's financial instruments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect certain market assumptions. There are three levels of inputs that may be used to measure fair value:

- Level 1 – Valuation based on quoted market prices in active markets for identical assets and liabilities.
- Level 2 – Valuation based on quoted market prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on unobservable inputs that are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. As of December 31, 2022, the Company holds Level 1 and Level 2 financial assets; this is discussed further in Note 2 - Financial Instruments of Notes to the Consolidated Financial Statements.

Stock-Based Compensation

Stock-based compensation cost related to stock options granted under the 2011 Equity Incentive Plan, as amended, and the 2011 B Equity Incentive Plan (together, the "2011 Equity Incentive Plans") (see Note 9) is measured at the grant date, based on the fair value of the award, and is recognized as expense over the employee's requisite service period on a straight-line basis. The Company estimates the fair value of each option award on the date of grant using a Black-Scholes option-pricing model that uses the assumptions noted in the table below. The Company uses the simplified method to estimate the expected term of employee stock options because it does not believe historical exercise data will provide a reasonable basis for estimating the expected term for the current share options granted. The simplified method assumes that employees will exercise share options evenly between the period when the share options are vested and ending on the date when the options would expire. The Company uses the closing stock price of its common stock on the date of the grant as the associated fair value of its common stock. For issuances after June 30, 2019, the Company estimates the volatility of its common stock at the date of grant based on the volatility of its stock during the period. The Company uses the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future.

The Company used the following assumptions for stock options granted under the 2011 Equity Incentive Plans during the twelve months ended December 31, 2022, and 2021:

<i>2011 Equity Incentive Plans Assumptions</i>	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Expected term	5 years	6 years
Weighted average volatility	120.48%	120.18%
Weighted average risk-free interest rate	1.70%	0.98%
Expected dividends	—	—
Weighted average expected forfeiture rate	37.00%	11.74%

The Company estimates forfeitures when recognizing compensation expense and this estimate of forfeitures is adjusted over the requisite service period based on the extent to which actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures are recognized through a cumulative catch-up adjustment, which is recognized in the period of change, and a revised amount of unamortized compensation expense to be recognized in future periods.

The Company may issue shares of restricted stock or restricted stock units that vest over future periods. The value of shares is recorded as the fair value of the stock or units upon the issuance date and is expensed on a straight-line basis over the vesting period. See Note 9 for additional information related to these shares.

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Recently Issued Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Income Taxes: In December 2019, the Financial Accounting Standards Board ("FASB") issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. The Company adopted ASU 2019-12 on January 1, 2021 with no material impact on its current reporting in the Company's consolidated financial statements.

Reference Rate Reform: In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), and further issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope* ("ASU 2021-01"), in January 2021 to provide optional guidance for a limited time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. ASU 2020-04 and ASU 2021-01 also provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions impacted by reference rate reform if certain criteria are met. Additionally, they only apply to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. ASU 2020-04 is effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. As of December 31, 2022, the Company does not have any contracts that reference LIBOR rates and this guidance has not had a material impact on its financial statements.

Codification Improvements: In October 2020, the FASB issued ASU No. 2020-08, *Codification Improvements to Subtopic 310-20, Receivables - Nonrefundable Fees and Other Costs* ("ASU 2020-08"), and ASU No. 2020-10, *Codification Improvements* ("ASU 2020-10"). ASU 2020-08 and ASU 2020-10 provide changes to clarify or improve existing guidance. The Company adopted ASU No. 2020-08 and ASU No. 2020-10 on January 1, 2021, with no material impact on its current reporting in the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

Credit Losses: In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 replaces the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires a consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 requires the use of a forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. In May 2019, the FASB issued ASU 2019-05, which provides transition relief for entities adopting ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments in ASU 2019-05 are effective for fiscal years beginning after December 15, 2019, including interim periods therein. An entity may early adopt ASU No. 2019-05 in any interim period after its issuance if the entity has adopted ASU 2016-13. For all other entities, the effective date will be the same as the effective date of ASU 2016-13. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the expected impact of adopting ASU 2016-13 on its consolidated financial statements and disclosures.

Accounting for Contract Assets and Contract Liabilities from Contracts with Customers: In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"). Under ASU 2021-08, an acquirer in a business combination must apply ASC 606 principles when recognizing and measuring acquired contract assets and contract liabilities. The provisions of ASU 2021-08 are applicable for the Company for fiscal years and interim periods beginning after December 15, 2022. The Company is currently evaluating the impact of ASU 2021-08 on its consolidated financial statements and related disclosures.

NOTE 2. FINANCIAL INSTRUMENTS

Cash, Cash Equivalents, and Marketable Securities (Available for Sale)

Per a revised investment strategy policy, the Company engaged a third party registered investment advisor and appointed a leading national bank for custody services with respect to investment securities, making an initial deposit of \$60 million on April 18, 2022. Investments comply with the Company's revised investment strategy policy, designed to preserve capital, minimize investment risks, and maximize returns.

The following table shows the Company's cash, cash equivalents, and marketable securities by significant investment category as of December 31, 2022:

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	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities ⁽¹⁾	Non-Current Marketable Securities ⁽²⁾
Cash and cash equivalents	\$ 14,583,955	\$ —	\$ —	\$ 14,583,955	\$ 14,583,955	\$ —	\$ —
Level 1 ⁽³⁾							
Commercial paper	9,777,252	—	(2,131)	9,775,121	9,775,121	—	—
Money market funds	241,884	—	—	241,884	241,884	—	—
US Treasury securities	11,972,036	—	(206,439)	11,765,597	—	4,926,950	6,838,647
Subtotal	21,991,172	—	(208,570)	21,782,602	10,017,005	4,926,950	6,838,647
Level 2 ⁽⁴⁾							
Asset back securities	12,173,193	—	(154,576)	12,018,617	—	4,971,754	7,046,863
Corporate debt securities	22,036,262	—	(417,649)	21,618,613	—	6,208,054	15,410,559
Subtotal	34,209,455	—	(572,225)	33,637,230	—	11,179,808	22,457,422
Total	\$ 70,784,582	\$ —	\$ (780,795)	\$ 70,003,787	\$ 24,600,960	\$ 16,106,758	\$ 29,296,069

⁽¹⁾ Current Marketable Securities have a holding period under one year.

⁽²⁾ Non-Current Marketable Securities have a holding period over one year. The securities held by IZEA Worldwide, Inc. mature between one and five years.

⁽³⁾ Level 1 fair value estimates are based on quoted prices in active markets for identical assets and liabilities.

⁽⁴⁾ Level 2 fair value estimates are based on observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets and liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities.

The Company records the fair value of cash equivalents and marketable securities on the balance sheet. The adjusted cost, which includes unrealized gains and losses, reflects settlement amounts if all investments are held to maturity. The Company recognized realized gains (net of losses) of \$2,501 for the twelve months ended December 31, 2022. Realized gains and losses are a component of other income (expense), net. Unrealized gains and losses are a component of other comprehensive income (loss) ("OCI").

The following table summarizes the estimated fair value of investments in marketable debt securities by stated contractual maturity dates:

	As of December 31, 2022
Due in 1 year or less	\$ 16,106,758
Due in 1 year through 5 years	29,296,069
Total	\$ 45,402,827

The following table presents fair values and net unrealized gains (losses) recorded to OCI, aggregated by investment category:

	As of December 31, 2022	
	Fair Value	Net Unrealized Gain (Loss)
Cash and cash equivalents	\$ 24,600,960	\$ (2,131)
Government bonds	11,765,597	(206,439)
Corporate debt securities	21,618,613	(417,649)
Asset backed securities	12,018,617	(154,576)
Total	\$ 70,003,787	\$ (780,795)

During the twelve months ended December 31, 2022, the Company did not recognize any significant credit losses and had no ending allowance balance for credit losses.

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NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2022	December 31, 2021
Furniture and fixtures	\$ —	\$ 208,583
Office equipment	3,843	66,417
Computer equipment	323,700	541,330
Total	327,543	816,330
Less accumulated depreciation	(170,769)	(661,145)
Property and equipment, net	\$ 156,774	\$ 155,185

Depreciation expense on property and equipment recorded in depreciation and amortization expense in the consolidated statements of operations and comprehensive loss was \$109,599 and \$130,478 for the twelve months ended December 31, 2022 and 2021, respectively.

NOTE 4. INTANGIBLE ASSETS

The identifiable intangible assets, other than Goodwill, consists of the following assets:

	December 31, 2022		December 31, 2021		Useful Life (in years)
	Balance	Accumulated Amortization	Balance	Accumulated Amortization	
Content provider networks	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	2
Trade names	87,000	87,000	87,000	87,000	1
Developed technology	820,000	820,000	820,000	820,000	5
Self-service content customers	2,810,000	2,810,000	2,810,000	2,810,000	3
Managed content customers	2,140,000	2,140,000	2,140,000	2,140,000	3
Domains	166,469	166,469	166,469	166,469	5
Embedded non-compete provision	28,000	28,000	28,000	28,000	2
Total definite-lived intangible assets	\$ 6,211,469	\$ 6,211,469	\$ 6,211,469	\$ 6,211,469	
Digital assets	64,953	—	213,263	—	Indefinite
Total intangible assets	\$ 6,276,422	\$ 6,211,469	\$ 6,424,732	\$ 6,211,469	

Total identifiable intangible assets from the Company's acquisitions and other acquired assets net of accumulated amortization thereon consists of the following:

	December 31, 2022	December 31, 2021
Ebyline Intangible Assets	\$ 2,370,000	\$ 2,370,000
ZenContent Intangible Assets	722,000	722,000
Domains	166,469	166,469
TapInfluence Intangible Assets	2,953,000	2,953,000
Digital Assets	64,953	213,263
Total	\$ 6,276,422	\$ 6,424,732
Less accumulated amortization	(6,211,469)	(6,211,469)
Intangible assets, net	\$ 64,953	\$ 213,263

There were no impairment charges associated with the Company's identifiable intangible assets, other than digital assets, in the twelve months ended December 31, 2022, and 2021.

Amortization expense recorded in depreciation and amortization in the accompanying consolidated statements of operations and comprehensive loss was \$0 and \$505,556 for the twelve months ended December 31, 2022, and 2021, respectively.

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During the twelve months ended December 31, 2021, the Company purchased and received \$ 216,675 in digital assets. During the twelve months ended December 31, 2021, the Company sold \$33,921 in digital assets realizing a gain of \$ 189,307. Such gains are presented in other income. The Company impaired the value of its digital assets by \$3,412 on December 31, 2021 as the fair market value decreased from the purchase value. The Company did not purchase any digital assets in 2022. The Company impaired the value of its digital assets by \$148,310 in the twelve months ended December 31, 2022 as the fair market value decreased from its carrying value. The impairment of digital assets is presented as a non-cash operating expense within general and administrative on the consolidated statements of operations and comprehensive loss. The fair market value of such digital assets held as of December 31, 2022, was \$64,953.

The Company determines the fair value of its digital assets on a nonrecurring basis in accordance with ASC 820, *Fair Value Measurement*, based on quoted prices on the active exchange(s) that has been determined to be the principal market for such assets (Level 1 inputs). The Company performs an analysis each quarter to identify whether events or changes in circumstances, principally decreases in the quoted prices on active exchanges, indicate that it is more likely than not that the digital assets are impaired. In determining if an impairment has occurred, the Company considers the lowest market price of one unit of the digital asset quoted on the active exchange since acquiring the digital asset. If the then-current carrying value of a digital asset exceeds the fair value so determined, an impairment loss has occurred with respect to those digital assets in the amount equal to the difference between their carrying value and the price determined.

Impairment losses on digital assets are recognized within general and administrative expenses in the consolidated statements of operations and comprehensive loss in the period in which the impairment is identified. The impaired digital assets are written down to the lowest market price at the time of impairment and this new cost basis will not be adjusted upward for any subsequent increase in fair value. Gains are not recorded until realized upon sale, at which point they are presented net of any impairment losses for the same digital assets held. In determining the gain to be recognized upon sale, the Company calculates the difference between the sales price and carrying value of the digital assets sold immediately prior to sale.

The Company performs an annual impairment assessment of goodwill in October each year; a quantitative assessment performed in 2022 and a qualitative assessment in 2021 did not indicate that an impairment existed; therefore, no impairment of goodwill has been recorded during these periods.

NOTE 5. SOFTWARE DEVELOPMENT COSTS

Software development costs consists of the following:

	December 31, 2022	December 31, 2021
Software development costs	\$ 4,509,805	\$ 3,036,810
Less accumulated amortization	(2,735,772)	(2,017,210)
Software development costs, net	<u>\$ 1,774,033</u>	<u>\$ 1,019,600</u>

The Company developed its web-based influencer marketing platform, *IZEAx*, to enable influencer marketing and content creation campaigns on a greater scale. The Company continued to add new features to *IZEAx*, *BrandGraph*, and *Shake* in 2021. In 2022, the Company developed two new web-based influencer marketing platforms, *Flex* and *Marketplace*. These new platforms will replace *IZEAx* and *Shake*. *IZEAx* will be sunset in March of 2023 and *Shake* was sunset in Q4 of 2022. The Company capitalized software development costs of \$ 1,472,995 and \$0 during the twelve months ended December 31, 2022, and 2021, respectively. As a result, the Company has capitalized a total of \$4,509,805 in direct materials, consulting, payroll, and benefit costs to its internal-use software development costs in the consolidated balance sheet as of December 31, 2022.

The Company amortizes its software development costs, commencing upon initial release of the software or additional features, on a straight-line basis over the estimated useful life of five years, which is consistent with the amount of time its legacy platforms were in service, or its actual useful life, if shorter. The Company recorded amortization expense associated with its capitalized software development cost of \$0.7 million and \$0.5 million during the twelve months ended December 31, 2022, and 2021, respectively.

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As of December 31, 2022, future estimated amortization expense related to software development costs is set forth in the following schedule:

	Software Development Amortization Expense	
2023	\$	591,957
2024		318,305
2025		303,109
2026		297,361
2027		263,301
Total	\$	<u>1,774,033</u>

NOTE 6. ACCRUED EXPENSES

Accrued expenses consist of the following:

	December 31, 2022	December 31, 2021
Accrued payroll liabilities	\$ 1,967,677	\$ 2,251,284
Accrued taxes	39,405	76,079
Current portion of finance obligation	42,858	33,388
Accrued other	80,762	142,131
Total accrued expenses	<u>\$ 2,130,702</u>	<u>\$ 2,502,882</u>

NOTE 7. NOTES PAYABLE

Canada Emergency Business Account (“CEBA”) Loan

On April 22, 2020, the Company received a Canadian dollar loan in the principal amount of 40,000 CAD (\$31,648 USD as of December 31, 2021), from TD Canada Trust Bank pursuant to a CEBA term loan agreement (the “CEBA Loan”). The CEBA Loan has an initial term from inception through December 31, 2022 (the “Initial Term”) and an extended-term from January 1, 2023 through December 31, 2025 (the “Extended Term”). No interest is accrued, and no payments are due on the loan during the Initial Term. On October 21, 2022, the Company received notification from the Government of Canada that a determination had been made that the business did not meet the eligibility criteria for loan forgiveness. The loan was paid in the full amount of 40,000 CAD on November 21, 2022.

Paycheck Protection Program (“PPP”) Loan

On April 23, 2020, the Company received a loan from Western Alliance Bank (the “Lender”) in the principal amount of \$ 1,905,100, under the PPP evidenced by a promissory note issued by the Company (the “Note”) to the Lender. The term of the Note was two years and carried a fixed interest rate of one percent per year. Certain amounts received under the PPP Loan were able to be forgiven if the loan proceeds are used for eligible purposes. On June 18, 2021, the Company was notified by the Lender that the loan had been forgiven by the SBA in full, including accrued interest. The principal amount of \$1,905,100 and accrued interest of \$ 22,120, totaling \$1,927,220, was recorded as a gain on forgiveness of debt in other income, net in the Company’s consolidated statements of operations and comprehensive loss for the twelve months ended December 31, 2021.

Finance Obligation

The Company pays for its laptop computer equipment through long-term payment plans, using an imputed interest rate of 7.8%, based on its incremental borrowing rate, to determine the present value of its financial obligation and to record interest expense over the term of the plan. The Company refreshed a portion of its computer inventory during the fourth quarter of 2022, entering a new three-year payment plan with the same vendor. The total balance owed was \$105,031 and \$43,808 as of December 31, 2022, and 2021, respectively, with the short-term portion of \$ 42,858 and \$33,388 recorded under accrued expenses in the consolidated balance sheets as of December 31, 2022, and 2021, respectively.

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Secured Credit Facility

The Company had a secured credit facility agreement (also referred to herein as “line of credit”) with Western Alliance Bank, the parent company of Bridge Bank, N.A. of San Jose, California, which was obtained on March 1, 2013, expanded on April 13, 2015, and terminated in April 2021. During the twelve months ended December 31, 2021, the Company recorded \$7,000 in interest cost associated with facility set-up cost amortization. No amounts were outstanding under this secured credit facility as of December 31, 2021, and there are no remaining capitalized loan costs related to the secured credit facility as of December 31, 2021.

Summary

Interest expense on financing arrangements recorded in the Company’s consolidated statements of operations was \$ 799 and \$15,410 during the twelve months ended December 31, 2022, and 2021, respectively. As of December 31, 2022, the future contractual maturities of the Company’s long-term payment obligations by year is set forth in the following schedule:

2023	\$	42,858
2024		32,438
2025		29,735
Total	\$	<u>105,031</u>

NOTE 8. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company does not have any operating or finance leases greater than 12 months in duration as of December 31, 2022.

The Company did not have any leasehold rent or operating lease expenses during the twelve months ended December 31, 2022. Total leasehold rent expense recorded in general and administrative expense in the accompanying consolidated statements of operations and comprehensive loss was \$264,048 for the twelve months ended December 31, 2021. Cash paid for the one operating lease totaled \$113,516 during the twelve months ended December 31, 2021.

Retirement Plans

The Company offers a 401(k) plan to all of its eligible employees. The Company matches participant contributions in an amount equal to 50% of each participant’s contribution up to 8% of the participant’s salary. The participants become vested in 20% annual increments after two years of service, or fully vest upon the age of 60. Total expense for employer matching contributions during the twelve months ended December 31, 2022, and 2021 was recorded in the Company’s consolidated statements of operations as follows:

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Cost of revenue	\$ 89,418	\$ 51,331
Sales and marketing	122,800	92,925
General and administrative	59,294	87,154
Total contribution expense	<u>\$ 271,512</u>	<u>\$ 231,410</u>

Litigation

From time to time, the Company may become involved in various other lawsuits and legal proceedings that arise in the ordinary course of its business. Litigation is, however, subject to inherent uncertainties, and an adverse result in any such litigation that may arise from time to time that may harm the Company’s business. The Company is currently not aware of any legal proceedings or claims that it believes would or could have, individually or in the aggregate, a material adverse effect on the Company. Regardless of the outcome, however, any such proceedings or claims may nonetheless impose a significant burden on management and employees and may come with costly defense costs or unfavorable preliminary interim rulings.

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NOTE 9. STOCKHOLDERS' EQUITY

Authorized Shares

The Company has 200,000,000 authorized shares of common stock and 10,000,000 authorized shares of preferred stock, each with a par value of \$0.0001 per share.

Sale of Securities

On June 4, 2020 and January 25, 2021, the Company entered into an ATM Sales Agreements with National Securities Corporation, as sales agent ("National Securities"), pursuant to which the Company could offer and sell shares of the Company's common stock through National Securities, by any method deemed to be an "at the market offering" under Rule 415 of the Securities Act (the "ATM Offering").

During the twelve months ended December 31, 2021, the Company sold 11,186,084 shares at an average price of \$4.16 per share for total gross proceeds of \$46.5 million. The June 2020 and January 2021 Sales Agreement were each terminated following the sale of all shares of common stock available to be sold thereunder.

On June 21, 2021, the Company entered into a third ATM Sales Agreement (the "June 2021 Sales Agreement") with National Securities, as sales agent, pursuant to which the Company could offer and sell, from time to time, through National Securities, up to \$100 million shares of the Company's common stock. The June 2021 Sales Agreement was terminated on September 6, 2022; no shares were sold under this agreement.

Equity Incentive Plans

In May 2011, the Company's Board of Directors (the "Board") adopted the 2011 Equity Incentive Plan of IZEA Worldwide, Inc. (as amended, the "2011 Equity Incentive Plan"). The Company's stockholders approved an amendment and restatement of the 2011 Equity Incentive Plan at the Company's 2020 Annual Meeting of Stockholders held on December 18, 2020, to allow the Company to award restricted stock, restricted stock units, and stock options covering up to 7,500,000 shares of common stock as incentive compensation for its employees and consultants. As of December 31, 2022, the Company had 2,382,009 remaining shares of common stock available for issuance pursuant to future grants under the 2011 Equity Incentive Plan.

In August 2011, the Company adopted the 2011 B Equity Incentive Plan (the "August 2011 Plan") reserving 4,375 shares of common stock for issuance under the August 2011 Plan. The August 2011 Plan expired in 2021 and no new grants may be made thereunder.

Restricted Stock

Under the 2011 Plan, the Board determines the terms and conditions of each restricted stock issuance, including any future vesting restrictions.

In 2021, the Company issued its six independent directors a total of 30,324 shares of restricted common stock initially valued at \$147,329 for their annual service as directors of the Company. The stock vested in equal monthly installments from January through December 2021. A new board member started on February 9, 2021 and the annual stock compensation was pro-rated.

In 2022, the Company issued its five independent directors a total of 105,930 shares of restricted common stock initially valued at \$125,000 for their annual service as directors of the Company. The stock vested in equal monthly installments from January through December 2022.

IZEA Worldwide, Inc.
Notes to the Consolidated Financial Statements

The following table contains summarized information about restricted stock issued during the years ended December 31, 2021 and December 31, 2022:

Restricted Stock	Common Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Years to Vest
Nonvested at December 31, 2020	13,666	\$ 2.28	1.4
Granted	30,324	4.86	
Vested	(40,437)	4.25	
Nonvested at December 31, 2021	3,553	\$ 1.83	0.7
Granted	105,930	1.18	
Vested	(109,197)	1.20	
Nonvested at December 31, 2022	286	\$ 1.34	0.3

Although restricted stock is issued upon the grant of an award, the Company excludes restricted stock from the computations within the financial statements of total shares outstanding and basic earnings per share until such time as the restricted stock vests.

Expense recognized on restricted stock issued to directors for services was \$ 125,000 and \$147,329 during twelve months ended December 31, 2022, and 2021, respectively. Expense recognized on restricted stock issued to employees was \$6,120 and \$24,699 during the twelve months ended December 31, 2022, and 2021, respectively.

On December 31, 2022, the fair value of the Company's common stock was approximately \$ 0.54 per share and the intrinsic value on the non-vested restricted stock was \$155. Future compensation expense related to issued, but non-vested, restricted stock awards as of December 31, 2022, is \$383. This value is estimated to be recognized over the weighted-average vesting period of approximately three months.

Restricted Stock Units

The Board determines the terms and conditions of each restricted stock unit award issued under the 2011 Equity Incentive Plan.

During the twelve months ended December 31, 2022, the Company issued a total of 967,232 restricted stock units initially valued at \$900,380 to non-executive employees as additional incentive compensation. The restricted stock units vest between 12 and 36 months from issuance.

During the twelve months ended December 31, 2022, the Company issued Mr. Murphy 308,414 restricted stock units valued at \$305,493 for incentive compensation under the terms of his amended employment agreement. The restricted stock units vest between 36 and 48 months from issuance.

During the twelve months ended December 31, 2022, the Company issued Mr. Biere 63,094 restricted stock units initially valued at \$78,597 for incentive compensation under the terms of his employment agreement. The restricted stock units vest over 36 months from issuance.

During the twelve months ended December 31, 2022, the Company issued Mr. Schram 36,843 restricted stock units initially valued at \$46,151 for incentive compensation under the terms of his amended employment agreement. The restricted stock vests between 12 and 48 months from issuance.

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The following table contains summarized information about restricted stock units during the years ended December 31, 2021 and December 31, 2022:

Restricted Stock Units	Common Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Years to Vest
Nonvested at December 31, 2020	970,349	\$ 0.39	1.2
Granted	229,638	2.93	
Vested	(817,417)	0.83	
Forfeited	(7,126)	1.77	
Nonvested at December 31, 2021	375,444	\$ 0.96	1.8
Granted	1,375,583	0.97	
Vested	(252,751)	0.88	
Forfeited	(181,123)	1.22	
Nonvested at December 31, 2022	1,317,153	\$ 0.95	2.5

Expense recognized on restricted stock units issued to employees was \$ 328,002 and \$575,150 during the twelve months ended December 31, 2022, and 2021, respectively. On December 31, 2022, the fair value of the Company's common stock was approximately \$0.54 per share and the intrinsic value on the non-vested restricted units was \$715,217. Future compensation related to the non-vested restricted stock units as of December 31, 2022, is \$1,092,494 and it is estimated to be recognized over the weighted-average vesting period of approximately 2.5 years.

Stock Options

Under the 2011 Equity Incentive Plan, the Board determines the exercise price to be paid for the stock option shares, the period within which each stock option may be exercised, and the terms and conditions of each stock option. The exercise price of incentive and non-qualified stock options may not be less than 100% of the fair market value per share of the Company's common stock on the grant date. If an individual owns stock representing more than 10% of the outstanding shares, the exercise price of each share of an incentive stock option must be equal to or exceed 110% of fair market value. Unless otherwise determined by the Board at the time of grant, the exercise price is set at the fair market value of the Company's common stock on the grant date (or the last trading day prior to the grant date, if it is awarded on a non-trading day). Additionally, the term is set at ten years and the option typically vests on a straight-line basis over the requisite service period as follows: 25% one year from the date of grant with the remaining vesting monthly in equal increments over the following three years. The Company issues new shares for any stock awards or options exercised under its 2011 Equity Incentive Plans.

A summary of option activity under the 2011 Equity Incentive Plans during the years ended December 31, 2021, and December 31, 2022, is presented below:

Options Outstanding	Common Shares	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Outstanding at December 31, 2020	1,712,806	\$ 2.56	6.9
Granted	296,569	2.60	
Exercised	(182,722)	3.26	
Expired	—	—	
Forfeited	(30,990)	0.32	
Outstanding at December 31, 2021	1,795,663	\$ 2.79	6.4
Granted	125	1.15	
Exercised	(71,086)	0.25	
Expired	(37,463)	5.36	
Forfeited	(22,075)	3.29	
Outstanding at December 31, 2022	1,665,164	\$ 2.83	5.27
Exercisable at December 31, 2022	1,375,569	\$ 3.06	4.7

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During the twelve months ended December 31, 2022, 71,086 options were exercised for gross proceeds of \$ 18,027. The intrinsic value of the exercised options was \$48,860. During the twelve months ended December 31, 2021, 182,722 options were exercised for gross proceeds of \$ 58,971. The intrinsic value of the exercised options was \$488,514. The fair value of the Company's common stock on December 31, 2022, was approximately \$0.54 per share, and the intrinsic value on outstanding options as of December 31, 2022, was \$ 63,325. The intrinsic value of the exercisable options as of December 31, 2022, was \$48,651.

A summary of the nonvested stock option activity under the 2011 Equity Incentive Plan during the years ended December 31, 2021, and December 31, 2022, is presented below:

Nonvested Options	Common Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Years to Vest
Nonvested at December 31, 2020	715,486	\$ 0.56	2.5
Granted	296,569	2.25	
Vested	(339,099)	0.73	
Forfeited	(17,152)	1.38	
Nonvested at December 31, 2021	655,804	\$ 1.22	2.3
Granted	125	1.15	
Vested	(306,796)	2.84	
Forfeited	(59,538)	4.59	
Nonvested at December 31, 2022	289,595	\$ 1.45	1.7

There were outstanding options to purchase 1,665,164 shares with a weighted average exercise price of \$2.83 per share, of which options to purchase 1,375,569 shares were exercisable with a weighted average exercise price of \$ 3.06 per share as of December 31, 2022.

Expense recognized on stock options issued to employees during the twelve months ended December 31, 2022, and 2021 was \$ 267,672 and \$270,958, respectively. Future compensation related to non-vested awards as of December 31, 2022, is \$ 381,425, and it is estimated to be recognized over the weighted-average vesting period of approximately 1.7 years.

The following table shows the number of stock options granted under the Company's 2011 Equity Incentive Plans and the assumptions used to determine the fair value of those options using a Black-Scholes option-pricing model during the twelve months ended December 31, 2022, and 2021:

Twelve Months Ended	Total Options Granted	Weighted Average Exercise Price	Weighted Average Expected Term	Weighted Average Volatility	Weighted Average Risk- Free Interest Rate	Expected Dividends	Weighted Average Grant Date Fair Value	Weighted average expected forfeiture rate
December 31, 2021	296,569	\$ 2.60	6.0 years	120.18%	0.98%	—	\$ 2.25	11.74%
December 31, 2022	125	\$ 1.15	5.0 years	120.48%	1.70%	—	\$ 1.15	37.00%

Employee Stock Purchase Plan

The amended and restated IZEA Worldwide, Inc. 2014 Employee Stock Purchase Plan (the "ESPP") provides for the issuance of up to 500,000 shares of the Company's common stock to employees regularly employed by the Company for 90 days or more on a full-time or part-time basis (20 hours or more per week on a regular schedule). The ESPP operates in successive six-month periods commencing at the beginning of each fiscal year half. Each eligible employee who elects to participate may purchase up to 10% of their annual compensation in common stock not to exceed \$ 21,250 annually or 2,000 shares per offering period. The purchase price will be the lower of (i) 85% of the fair market value of a share of common stock on the first day of the offering period or (ii) 85% of the fair market value of a share of common stock on the last day of the offering period. The ESPP will continue until January 1, 2024, unless otherwise terminated by the Board.

During the twelve months ended December 31, 2022, and 2021, employees paid \$ 14,516 to purchase 24,428 shares of common stock and \$5,395 to purchase 8,113 shares of common stock, respectively. The stock compensation expense on ESPP Options was \$ 8,978 and \$7,932 for the twelve months ended December 31, 2022, and 2021, respectively. As of December 31, 2022, the Company had 363,072 remaining shares of common stock available for future issuances under the ESPP.

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Summary of Stock-Based Compensation

The stock-based compensation cost related to all awards granted to employees is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the employee's requisite service period utilizing the weighted-average forfeiture rates as disclosed in Note 1. Total stock-based compensation expense recognized on restricted stock, restricted stock units, stock options, and employee stock purchase plan issuances during the twelve months ended December 31, 2022, and 2021 was recorded in the Company's consolidated statements of operations as follows:

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Cost of revenue	\$ 40,895	\$ 9,160
Sales and marketing	64,010	22,115
General and administrative	505,867	847,464
Total stock-based compensation	<u>\$ 610,772</u>	<u>\$ 878,739</u>

NOTE 10. LOSS PER COMMON SHARE

Basic earnings (loss) per common share is computed by dividing the net income or loss by the basic weighted-average number of shares of common stock outstanding during each period presented. Although restricted stock is issued upon the grant of an award, the Company excludes restricted stock from the computations of the weighted-average number of shares of common stock outstanding until the stock vests. Diluted loss per share is computed by dividing the net income or loss by the sum of the total of the basic weighted-average number of shares of common stock outstanding plus the additional dilutive securities that could be exercised or converted into common shares during each period presented less the amount of shares that could be repurchased using the proceeds from the exercises.

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Net loss	\$ (4,469,498)	\$ (3,140,621)
Weighted average shares outstanding - basic and diluted	62,199,379	60,407,921
Basic and diluted loss per common share	<u>\$ (0.07)</u>	<u>\$ (0.05)</u>

The Company excluded the following weighted average items from the above computation of diluted loss per common share, as their effect would be anti-dilutive:

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Stock options	1,736,414	1,750,096
Restricted stock units	813,088	516,180
Restricted stock	49,913	22,632
Total excluded shares	<u>2,599,415</u>	<u>2,288,908</u>

NOTE 11. REVENUE

The Company has consistently applied its accounting policies with respect to revenue to all periods presented in the consolidated financial statements contained herein. The following table illustrates the Company's revenue by product service type:

IZEA Worldwide, Inc.
Notes to the Consolidated Financial Statements

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Managed Services Revenue	\$ 39,456,986	\$ 28,203,556
Marketplace Spend Fees	205,809	319,419
License Fees	1,301,198	1,454,874
Other Fees	131,944	44,528
SaaS Services Revenue	1,638,951	1,818,821
Total Revenue	\$ 41,095,937	\$ 30,022,377

Managed Services revenue is comprised of two types of revenue, Sponsored Social and Content. Sponsored Social revenue, which totaled \$35.2 million for the twelve months ended December 31, 2022, is recognized over time. Content revenue, which totaled \$ 4.3 million during the twelve months ended December 31, 2022, is recognized at a point in time.

The following table provides the Company's revenues as determined by the country of domicile:

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
United States	\$ 40,481,138	\$ 29,390,892
Canada	614,799	631,485
Total	\$ 41,095,937	\$ 30,022,377

Contract Balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers reported in the Company's consolidated balance sheet:

	December 31, 2022	December 31, 2021
Accounts receivable, net	\$ 5,664,727	\$ 7,599,103
Contract liabilities (unearned revenue)	11,247,746	11,338,095

The Company does not typically engage in contracts that are longer than one year. Therefore, the Company will recognize substantially all of the contract liabilities recorded at the end of the year in the following year. The contract liability balance as of December 31, 2021 was \$11,338,095. Of that balance, \$9.9 million was carried to revenue during 2022. The majority of the carryover from the prior year is related to one large prepaid customer account and a few smaller accounts that needed to be pushed out. The Company expects to recognize the associated revenue in 2022. The accounts receivable balance as of December 31, 2021 was \$7,599,103. \$35,600 of the outstanding receivables balance from the prior year is still outstanding as of December 31, 2022. The carryforward receivables balance is fully reserved as of December 31, 2022.

Contract receivables are recognized when the receipt of consideration is unconditional. Contract liabilities relate to the consideration received from customers in advance of the Company satisfying performance obligations under the terms of the contracts, which will be earned in future periods. Contract liabilities increase as a result of receiving new advance payments from customers and decrease as revenue is recognized upon the Company meeting the performance obligations. As a practical expedient, the Company expenses the costs of sales commissions that are paid to its sales force associated with obtaining contracts less than one year in length in the period incurred.

Remaining Performance Obligations

The Company typically enters into contracts that are one year or less in length. As such, the remaining performance obligations at December 31, 2022, and December 31, 2021, are equal to the contract liabilities disclosed above. The Company expects to recognize the full balance of the unearned revenue on December 31, 2022, within the next year.

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NOTE 12. INCOME TAXES

The components of the Company's net deferred income taxes are as follows (rounded):

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Net operating loss carry forwards	\$ 24,823,000	\$ 23,877,000
Accrued expenses	368,000	430,000
Stock option and warrant expenses	618,000	504,000
Accounts receivable	39,000	41,000
Other	180,000	(42,000)
Total deferred tax assets	26,028,000	24,810,000
Valuation allowance	(25,921,000)	(24,684,000)
Net deferred tax assets	107,000	126,000
Deferred tax liabilities:		
Fixed and tangible assets	(107,000)	(126,000)
Total deferred tax liabilities	(107,000)	(126,000)
Total deferred tax assets (liabilities)	\$ —	\$ —

The following summary reconciles differences from taxes at the federal statutory rate with the effective rate:

	Twelve Months Ended	
	December 31, 2022	December 31, 2021
Federal income tax at statutory rates	(21.0) %	(21.0) %
Change in deferred tax asset valuation allowance	23.2 %	53.7 %
Deferred state taxes	(3.3) %	(7.2) %
Non-deductible expenses:		
ISO & Restricted stock compensation	0.9 %	(6.4) %
Change in state deferred rate	1.1 %	(5.9) %
PPP loan forgiveness	— %	(13.4) %
Other	(0.9) %	0.2 %
Income taxes at effective rates	— %	— %

The Company has incurred net losses for tax purposes every year since its inception. As of December 31, 2022, the Company had approximately \$93.7 million in net operating loss carryforwards for U.S. federal income tax purposes and \$ 95.8 million in net operating loss carryforwards for state income tax purposes, which in the aggregate expire in various amounts between the years of 2026 and 2040. The Company's ability to deduct its historical net operating losses may be limited in the future due to IRC Section 382 as a result of the substantial issuances of common stock in 2012 through 2021. Certain of the Company's net operating losses acquired in connection with the Ebyline, ZenContent, and TapInfluence acquisitions also may be limited by IRC Section 382. The change in the valuation allowance for the twelve months ended December 31, 2022, was an increase of \$1.2 million resulting primarily from net operating losses generated during the period. The change in the valuation allowance for the twelve months ended December 31, 2021, was an increase of \$1.7 million, resulting primarily from net operating losses generated during the period. The Company has deemed any foreign earnings will be indefinitely reinvested.

IZEA Worldwide, Inc.
Notes to the Consolidated Financial Statements

Currently, foreign operations have resulted in an accumulated deficit. The Company will continue to analyze their stance if circumstances change in the future.

NOTE 13. SUBSEQUENT EVENTS

The Company has completed an evaluation of all subsequent events through March 31, 2023 to ensure that these consolidated financial statements include appropriate disclosure of events both recognized in the consolidated financial statements and events which occurred but were not recognized in the consolidated financial statements. The Company has concluded that no subsequent event has occurred that requires disclosure.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A – CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that the Company files or submits under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that the Company files under the Exchange Act is accumulated and communicated to management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Furthermore, controls and procedures could be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Misstatements due to error or fraud may occur and not be detected on a timely basis.

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this Annual Report on Form 10-K for the period ended December 31, 2022, an evaluation was performed under the supervision and with the participation of our management including our principal executive officer and principal financial officer to determine the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022. Based on this evaluation, our management concluded that our disclosure controls and procedures were effective as designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

Management’s Annual Report on Internal Control over Financial Reporting

The Company’s management is responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed by, or under the supervision of, the Company’s principal executive officer and principal financial officer and effected by its Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Company’s transactions;
- ii. provide reasonable assurance that transactions are recorded as necessary for the preparation of the Company’s financial statements in accordance with GAAP, and that receipts and expenditures are made only in accordance with authorizations of its management and directors; and
- iii. provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect financial statement misstatements. Also, projections of any evaluation of internal control effectiveness to future periods are subject to the

risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Our assessment included reviewing and testing additional control procedures designed to remediate a material weakness identified in 2021 related to our recognition of liabilities and associated costs related to the Company's Managed Services within its IZEAX platform. Based upon strengthened control procedures and independent validation thereof, we consider this material weakness to be remediated as of December 31, 2022. Based on our assessments, management concluded that our internal control over financial reporting was effective as of December 31, 2022.

Pursuant to the rules of the SEC, management's annual report on internal control over financial reporting is not subject to attestation by our independent registered public accounting firm and we are not required to provide an attestation report. Accordingly, Grant Thornton, LLP has not issued an attestation report on our internal control over financial reporting as of December 31, 2022.

Changes in Internal Control over Financial Reporting

During the twelve months ended December 31, 2022, the Company utilized the new Enterprise Resource Planning ("ERP") system to accurately maintain our financial records, enhance the flow of financial information, improve data management, and provide timely information to senior leadership. The Company engaged an independent third-party technical accounting expert to assist management with the review and evaluation of our processes and pertinent controls. We also implemented additional controls over liability and cost recognition procedures in our Managed Services. Other than as described above, there have been no other changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the twelve months ended December 31, 2022 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B - OTHER INFORMATION

\$1M Share Repurchase Authorization

On February 28, 2023, the Company's Board of Directors authorized the Company to establish a share repurchase program for up to \$1.0 million shares of the Company's common stock. The Company may repurchase shares of common stock from time to time through open market purchases, in privately negotiated transactions, or by other means in accordance with federal securities laws. The timing and total amount of stock repurchases will depend upon business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, and other considerations. The share repurchase program may be suspended or discontinued at any time and does not obligate the company to acquire any amount of common stock.

ITEM 9C - DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Executive Officers and Directors

The names and ages of the Company's executive officers and directors, and their positions with us, are as follows:

Name	Age	Position
Edward H. (Ted) Murphy	46	Founder, Chairman of the Board, and Chief Executive Officer
Ryan S. Schram	42	President, Chief Operating Officer, and Director
Peter J. Biere	66	Chief Financial Officer
Brian W. Brady	64	Director, Nominating Committee Chair
John H. Caron	65	Director
Lindsay A. Gardner	62	Director
Daniel R. Rua	53	Director, Compensation Committee Chair
Patrick J. Venetucci	54	Director, Audit Committee Chair

Executive Officers

Edward H. (Ted) Murphy, Founder, Chairman of the Board, and Chief Executive Officer, founded IZEA in February 2006 as part of MindComet Corp., an interactive advertising agency that he started in 1999 and served as Chief Executive Officer. IZEA was later spun out of MindComet in September 2006 and Mr. Murphy has served as Chief Executive Officer and a director of IZEA since such time. Mr. Murphy is a serial entrepreneur who is recognized as a pioneer in paid blogging and a catalyst behind the social sponsorship industry. As the Founder and Chief Executive Officer, Mr. Murphy leads IZEA, both with his day-to-day operational leadership and with his strategic vision for IZEA and its products. Mr. Murphy attended Florida State University before starting MindComet and several other earlier Internet-related businesses. Mr. Murphy brings to the Board extensive knowledge of the social sponsorship industry and a deep background in social media, mobile technology, and e-commerce, as well as significant experience in financing technology growth companies.

Ryan S. Schram, President, Chief Operating Officer, and Director, joined the Company in September 2011 as a senior executive leading the Company's operations, client development, corporate strategy, customer success, marketing communications, and talent acquisition/retention efforts and was named President in January 2021. Prior to joining us, from 2005 to 2011, Mr. Schram served in various leadership roles, most recently as Group Vice President, at the leading engagement marketing company, Hello World (previously ePrize). Earlier in his career, Mr. Schram held roles of increasing responsibility at CBS/Westwood One and Clear Channel Interactive (now iHeartMedia). Mr. Schram holds a Bachelor of Arts degree in Management from the Eli Broad College of Business at Michigan State University. Mr. Schram joined the Company's Board in October 2012 and brings substantial knowledge and working experience in marketing services and client development within rapidly evolving industries.

Peter J. Biere, Chief Financial Officer, joined us in April 2021 as a senior executive responsible for IZEA's finance and accounting operations as well as guiding the Company's broader fiscal strategy. Mr. Biere previously served as the Chief Financial Officer of BSQUARE (NASDAQ: BSQR), a technology provider of intelligent devices and software systems serving a global customer base with software and engineering services, from 2017 to 2019. Prior to BSQUARE, he served as Chief Financial Officer for Dreambox Learning from 2012 to 2016, a venture-backed EdTech SaaS provider. Earlier in his career, Mr. Biere served as the Chief Financial Officer of Lumera, a publicly-traded R&D stage nanotechnology developer of electro-optic modulators, from 2004 to 2009. He also served as Chief Financial Officer of Zones.com from 1993 to 1999, where he co-led the IPO and was part of the leadership team that grew revenue from \$70 million to \$500 million. Mr. Biere received a Bachelor of Science and a Master of Science degree in Accounting from the University of Iowa. He earned his CPA license in 1983 in the State of Texas (inactive).

Directors

Brian W. Brady, Director, Nominating Committee Chairman, joined the Company's Board in August 2012. From 1995 to December 2019, Mr. Brady was the President and Chief Executive Officer of Northwest Broadcasting, Inc., and Chairman of Bryson Holdings LLC. Collectively, these companies owned and operated 15 television stations in nine markets. Mr. Brady currently serves on the board of Duration Media, a proprietary digital ad impression technology product, Syncbak, a privately held technology company, Terrier Media, and Sparx Technology, Inc. (formerly iPowow USA, Inc.). Mr. Brady is also one of three senior advisors for Manhattan West Asset Management, an independent wealth management and high net

worth financial advisory firm. Mr. Brady previously served on the FOX Affiliate Board for nine years, serving as Chairman for four of those years. He also previously served on the board of the National Association of Broadcasting (8 years), Saga Communication (9 years) and the Ferris State College Foundation Board (7 years). Mr. Brady holds a Bachelor of Science degree in advertising from Ferris State University. Mr. Brady brings to the Company's Board more than 25 years of experience in the multi-media industry, making his input invaluable to us as we expand our portfolio of customers and platform offerings.

John H. Caron, Director, joined the Company's Board in April 2015. Mr. Caron has 30+ years of marketing experience in the consumer-packaged goods and restaurant industries. Since May 2017, Mr. Caron has served as Vice President and a director of Entrepreneurs in Action, Inc., a Florida benefit corporation, which, among other things, will be the Manager of one or more funds to invest in early-stage and start-up social enterprises. Mr. Caron has also served as an independent director on the board of Tijuana Flats since November 2015 and currently serves as its Chairman, sits on the board of Thrive Frozen Nutrition, Inc. since April 2014, and previously served on the board of venVelo, a Central Florida early-stage venture fund, since May 2013. Prior to joining the Company's Board, Mr. Caron was a member of the Company's Strategic Advisory Board since June 2013. Mr. Caron served as the President of Olive Garden at Darden Restaurants Inc. from May 2011 to January 2013, Darden's Chief Marketing Officer from March 2010 to May 2011 and Darden's Executive Vice President of Marketing for Olive Garden from 2003 to 2010. Before joining Darden Restaurants, Mr. Caron served as Vice President and General Manager of Lipton Beverages for Unilever Bestfoods North America from 2000 to 2002. Mr. Caron received a Bachelor of Science degree in Political Science from The Colorado College and a Master's degree in American Politics from New York University Department of Politics. Mr. Caron also earned a Master's in Business Administration in Marketing from New York University Stern School of Business. Mr. Caron's decades of experience in leading and managing marketing and branding operations in highly competitive industries position him well to serve on the Company's Board.

Lindsay A. Gardner, Director, joined the Company's Board in December 2013. Mr. Gardner has 30 years of executive management and leadership experience at companies ranging from technology startups to the world's largest media and entertainment companies. Mr. Gardner is Director and Interim CEO of Soofa, an outdoor advertising and smart city communication platform, operating its innovative solar-powered digital kiosks in 17 states. Until August 2020, Mr. Gardner served as Senior Vice President and Chief Content Officer of T-Mobile, the nation's third-largest wireless company, where he spearheaded the company's entry into video. Previously, he was the Chief Content Officer of Layer3TV, the first new cable operator to launch in the U.S. in a decade. Mr. Gardner joined Layer3TV in January 2015 and led its commercial launch and subsequent sale to T-Mobile. Prior to that, Mr. Gardner was a Senior Advisor to Oaktree Capital Management, a Los Angeles-based private equity firm with \$100 billion under management where, beginning in May 2010, he focused on global buyout opportunities in the media sector. From 1999 until mid-2007, Mr. Gardner was Fox Networks' President, Distribution. Mr. Gardner received an MBA from The Wharton School of the University of Pennsylvania and a Bachelor of Arts degree in Economics from Brandeis University. Mr. Gardner was elected to serve as a member of the Board due to his significant experience in the media, technology, and entertainment industries, as both an executive and a private equity investor.

Daniel R. Rua, Director, Compensation Committee Chairman, rejoined the Company's Board in July 2012. Since November 2015, Mr. Rua has served as the Chief Executive Officer of Admiral, a private SaaS company that provides visitor relationship management and marketing automation for digital publishers. From September 2006 to May 2011, Mr. Rua served as the Executive Chairman and an early investor in the Company's predecessor entity IZEA Innovations, Inc. Mr. Rua has been a Managing Partner of Inflexion Partners, an early-stage venture capital fund since January 2002. Prior to Inflexion, Mr. Rua was a Partner with Draper Atlantic, the east coast fund of Silicon Valley's early-stage venture firm Draper Fisher Jurvetson, from 1999 to 2002. Prior to Draper Atlantic, Mr. Rua led Internet protocol development at IBM's Networking Labs in the Research Triangle, from 1991 to 1999. Mr. Rua is a former director of InphoMatch (acquired by Sybase) and AuctionRover (acquired by Overture/Yahoo). Mr. Rua holds a Bachelor of Science degree in computer engineering from the University of Florida. He also earned a Juris Doctor from the University of North Carolina School of Law and a Master's in Business Administration from the Kenan-Flagler Business School of the University of North Carolina. Mr. Rua's extensive knowledge of the Company's products and services as a director and early investor in the Company's predecessor, as well as his many years of experience in venture capital investing and operational leadership of other technology growth companies, position him well to serve on the Company's Board.

Patrick J. Venetucci, Director, Audit Committee Chairman, joined the Company's Board in December 2018. Since 2018, Mr. Venetucci has served as Chief Executive Officer of MERGE, a private equity-backed company that merges creative, technology and media solutions for clients in the health, financial services, and consumer industries. From 2016 to 2018, Mr. Venetucci was the President of USA Operations and Integration for Dentsu Aegis Network, one of the largest holding companies in the advertising industry. In 2013, Mr. Venetucci founded the MobileAngelo Group, a technology investment and consulting firm, where he initiated a global mobile roll-up capitalized by private equity and other ventures in technology that enable digital transformation and served as its Chief Executive Officer until 2016. From 1990 to 2013, Mr. Venetucci worked for Leo Burnett Worldwide, a global advertising network, serving as its President of Global Operations from 2009 to 2013. In this capacity, he was responsible for growing large global accounts and leading global corporate functions such as corporate strategy, Mergers and Acquisitions, enterprise technology, internal audit, procurement, and production. Before this, Mr.

Venetucci was Leo Burnett's Global Head of Human Resources, where he chaired the executive compensation committee. Earlier in his career at Leo Burnett, he spent over a decade developing fully integrated marketing campaigns for several Fortune 500 clients, and worked at Leo Burnett Tokyo for three years, where he started the company's first digital marketing service. Mr. Venetucci has served as an advisor to several innovative public and private technology companies, including Solstice Mobile, Signal, ParqEx, and Quiver, as well as to private equity firms. Mr. Venetucci has a Master's in Business Administration in Finance and in Marketing and Entrepreneurship from the University of Chicago and a Bachelor of Arts in Communications Studies from the University of Iowa. Mr. Venetucci's extensive knowledge of the advertising industry, as well as knowledge of financial and operational issues, positions him well to serve on the Company's Board.

Family Relationships

There are no family relationships among our executive officers and directors.

Involvement in Certain Legal Proceedings

To the Company's knowledge, during the past ten years, none of its directors, executive officers, promoters, control persons, or nominees has been:

- the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years before to that time;
- convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities, or banking activities; or
- found by a court of competent jurisdiction (in a civil action), the SEC, or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers, and persons who beneficially own more than 10% of its outstanding common stock to file initial reports of ownership with respect to the Company's equity securities and reports of changes in such ownership with the SEC. SEC regulations require such persons to furnish the Company with copies of all Section 16(a) forms they file. Based solely upon the Company's review of the copies of the reports that it received and written representations that no other reports were required, the Company identified at least one report for each of the executive officers that was filed late due to administrative error. Each of the delinquent reports were for the issuance or vesting of restricted stock units per each officer's compensation agreement.

Officer Name(s)	Reporting Date	Filing Date	Section 16(a) Report
Edward Murphy, Ryan Schram, and Peter Biere	4/1/22	4/11/22	Form 4
Edward Murphy, Ryan Schram, and Peter Biere	6/30/22	7/6/22	Form 4
Edward Murphy, Ryan Schram, and Peter Biere	08/16/22	11/21/22	Form 4
Edward Murphy and Ryan Schram	10/31/22	11/3/22	Form 4
Peter Biere	10/31/22	11/4/22	Form 4

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2022, the members of the Company's Compensation Committee were Lindsay A. Gardner, Daniel R. Rua, and Patrick J. Venetucci with Mr. Rua serving as the Chairman of the Compensation Committee. None of the directors who served on the Compensation Committee in 2022 served as one of the Company's employees in 2022 or has ever served as one of its officers. During 2022, none of the Company's executive officers served as a director or member of a compensation committee (or other committee performing similar functions) of any other entity of which an executive officer served on its Board of Directors or Compensation Committee.

Board Committees

The Company's Board has three active standing committees to assist with its responsibilities. Committee descriptions and charters are available on the Company's website at <https://izea.com>. Neither the Company's website nor its contents are incorporated into this Annual Report.

Audit Committee. The Audit Committee's duties are to recommend to the Board the engagement of independent auditors to audit the Company's financial statements and to review its accounting policies and financial statements. The Audit Committee is responsible for reviewing the scope and fees for the annual audit and the results of audit examinations performed by the Company's independent public accountants, including their recommendations to improve the system of accounting and internal controls. The Audit Committee will at all times be composed exclusively of directors who are, in the opinion of the Board, free from any relationship which would interfere with the exercise of independent judgment as a committee member and who possess an understanding of financial statements and generally accepted accounting principles.

The Audit Committee is comprised of three non-employee directors: John H. Caron, Daniel R. Rua, and Patrick J. Venetucci. Mr. Venetucci serves as the audit committee chairperson and is designated as the "audit committee financial expert" based on his experience as an executive officer of multiple international companies, service on a compensation committee, and graduate degree in finance. The Board has determined that all members of the Audit Committee are "independent" as that term is currently defined in the Nasdaq Marketplace Rule 4200(a)(15) and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934. The Audit Committee met telephonically seven times during the year ended December 31, 2022.

Compensation Committee. The Compensation Committee is responsible for reviewing and approving the Company's compensation policies, including executive officers. The Compensation Committee also reviews and administers the Company's equity incentive compensation plans and recommends and approves grants of stock options or other awards under that plan.

The Compensation Committee is comprised of three non-employee directors, Lindsay A. Gardner, Daniel R. Rua, and Patrick J. Venetucci. The Board has determined that all members of the Compensation Committee are "independent" as that term is currently defined in the Nasdaq Marketplace Rule 4200(a)(15) and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934. Mr. Rua serves as the chairman of the Compensation Committee. The Compensation Committee met eight times telephonically during the year ended December 31, 2022, in addition to performing multiple actions through written consents.

Nominations and Corporate Governance Committee. The purpose of the Nominations and Corporate Governance Committee is to select or recommend for the Company's Board's selection, the individuals to stand for election as directors at the annual meeting of stockholders and to oversee the selection and composition of committees of its Board. The Nominations and Corporate Governance Committee's duties also include considering the adequacy of the Company's corporate governance and overseeing and approving management continuity planning processes. The Nominations and Corporate Governance Committee is comprised of all of the Board's non-employee directors: Brian W. Brady, John H. Caron, Lindsay A. Gardner, Daniel R. Rua, and Patrick J. Venetucci. Mr. Brady serves as the chairman of the Nominations and Corporate Governance Committee. The Nominations and Corporate Governance Committee met one time during the year ended December 31, 2022.

While the Company does not have a formal diversity policy for Board membership, the Board does seek to ensure that its membership consists of sufficiently diverse backgrounds, meaning a mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. In considering candidates for the Board, the independent directors consider, among other factors, diversity with respect to viewpoints, skills, experience, and other demographics.

Board Leadership Structure

Mr. Murphy has been the Chairman of the Board and Chief Executive Officer since 2006 when he founded IZEA. The Company believes that having one person, particularly Mr. Murphy with his deep industry and executive management experience, his extensive knowledge of the operations of IZEA, and his history of innovation and strategic thinking, serving as both Chairman and Chief Executive Officer is the best leadership structure for IZEA because it demonstrates to employees, customers, and stockholders that the Company is under strong leadership. Mr. Schram has been the Company's Chief Operating Officer since 2011 and was named President in January 2021. This continuity and small base of individuals setting the tone and having primary responsibility for managing the Company's operations provides unity of leadership and promotes strategy development and execution, timely decision-making, and effective management of company resources. The Company believes that it has been well-served by this structure.

Five of the Company's seven directors are independent within the meaning of SEC and Nasdaq rules. In addition, all of the directors on each of the Audit Committee, Compensation Committee, and the Nominations and Corporate Governance Committee are independent and each of these committees is led by an independent committee chair. The committee chairs set the agendas for their committees and report to the full Board on their work. Mr. Brady serves as the lead independent director of the board of directors and as required by Nasdaq, the Company's independent directors meet in executive session without management present as frequently as they deem appropriate, typically at the time of each regular Board meeting. All of the independent directors are highly accomplished and experienced professionals in their respective fields, who have demonstrated leadership in significant enterprises and are familiar with board processes. The Company's independent directors bring experience, oversight, and expertise from outside the company and industry, while Messrs. Murphy and Schram bring company-specific experience and expertise.

Board Role in Risk Oversight

While the Board is responsible for overseeing the Company's risk management, the Board has delegated many of these functions to the Audit Committee. Under its charter, the Audit Committee is responsible for discussing with management and the independent auditors the Company's major financial risk exposures, the guidelines, and policies by which risk assessment and management are undertaken, and the steps management has taken to monitor and control risk exposure. In addition to the Audit Committee's work in overseeing risk management, the full Board regularly engages in discussions of the most significant risks that the Company is facing and how those risks are being managed, and the Board receives reports on risk management from its senior officers and the chair of the Audit Committee. In addition, Mr. Murphy's extensive knowledge of IZEA uniquely qualifies him to lead the Board in assessing risks. The Board believes that the work is undertaken by the Audit Committee, the full Board, and the Chairman and Chief Executive Officer, enables the Board to effectively oversee the Company's risk management function.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers (including its chief executive officer, chief operating officer, chief financial officer, and any person performing similar functions), and employees. The Company has made its Code of Business Conduct and Ethics available on its website at <https://izea.com>. Amendments to the Code of Business Conduct and Ethics or any grant of a waiver from a provision of the Code of Business Conduct and Ethics requiring disclosure under applicable SEC rules will also be disclosed on the Company's website.

ITEM 11 - EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the cash compensation, as well as certain other compensation earned during the last two fiscal years, for (i) each person who served as the Company's principal executive officer ("PEO") during the year ended December 31, 2022; (ii) the two other most highly compensated executive officers other than the PEO who were serving as executive officers as of December 31, 2022; and (iii) up to two additional individuals for whom disclosure would have been provided pursuant to the foregoing clause (ii) but for the fact that such individuals were not serving as executive officers as of December 31, 2022 (collectively referred to as the "Named Executive Officers"):

Name and Principal Position	Year	Salary	Stock Awards	Option Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation ⁽²⁾	All Other Comp ⁽³⁾	Total
Edward H. (Ted) Murphy ⁽⁴⁾	2022	\$ 316,461	\$ 305,493	\$ —	\$ 92,147	\$ 814	\$ 714,915
Chief Executive Officer	2021	310,278	394,000	361,646	90,894	814	1,157,632
Ryan S. Schram ⁽⁵⁾	2022	305,769	46,151	—	312,876	371	665,167
President, Chief Operating Officer	2021	298,971	—	51,980	301,232	356	652,539
Peter J. Biere ⁽⁶⁾	2022	248,558	78,597	—	39,135	—	366,290
Chief Financial Officer	2021	204,808	14,735	81,227	38,730	—	339,500

⁽¹⁾ Represents the aggregate grant date fair value of stock options issued during the year as calculated in accordance with FASB ASC Topic 718. See "Critical Accounting Policies and Use of Estimates" under "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information, including valuation assumptions used in calculating the fair value of the awards.

⁽²⁾ Cash bonus amounts paid in 2022 and 2021 consisted of incentive compensation payable pursuant to each individual's employment agreement are reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

⁽³⁾ Represents insurance premiums paid by IZEA with respect to life insurance for the benefit of the Named Executive Officer.

⁽⁴⁾ For the year ended December 31, 2021, Mr. Murphy was awarded cash bonuses totaling \$90,894, restricted stock units valued at \$394,000, and stock options with a fair value of \$361,646 pursuant to quarterly and annual performance bonus awards granted in his employment agreement. For the year ended December 31, 2022, Mr. Murphy was awarded cash bonuses totaling \$92,147 and restricted stock units valued at \$305,493 pursuant to quarterly and annual performance bonus awards granted in his employment agreement. See *Employment Agreements* below for details on Mr. Murphy's total compensation plan.

⁽⁵⁾ For the year ended December 31, 2021, Mr. Schram was awarded cash bonuses totaling \$301,232 and stock options with a fair value of \$51,980 pursuant to quarterly and annual performance bonus awards granted in his employment agreement. For the year ended December 31, 2022, Mr. Schram was awarded cash bonuses totaling \$312,876 and restricted stock units valued at \$46,151 pursuant to quarterly and annual performance bonus awards granted in his employment agreement. See *Employment Agreements* below for details on Mr. Schram's total compensation plan.

(6) Mr. Biere was appointed as the Company's Chief Financial Officer effective April 1, 2021. For the year ended December 31, 2021, Mr. Biere was awarded cash bonuses totaling \$38,730, restricted stock units valued at \$14,735, and stock options with a fair value of \$81,227 pursuant to quarterly and annual performance bonus awards granted in his employment agreement. For the year ended December 31, 2022, Mr. Biere was awarded cash bonuses totaling \$39,135 and restricted stock units valued at \$78,597 pursuant to quarterly and annual performance bonus awards granted in his employment agreement. See *Employment Agreements* below for details on Mr. Biere's total compensation plan.

Outstanding Equity Awards at Fiscal Year End

Listed below is information with respect to unexercised options and equity incentive awards held by each Named Executive Officer as of December 31, 2022 pursuant to the Company's equity incentive plans:

Name	Option Awards				Option Expiration Date
	Number of Securities Underlying Unexercised Options: Exercisable	Number of Securities Underlying Unexercised Options: Unexercisable		Option Exercise Price ⁽¹⁾	
Edward H. (Ted) Murphy	25,000	—		\$ 5.00	3/1/2023
<i>Chief Executive Officer</i>	9,384	—		\$ 5.00	3/1/2023
	219,949	—		\$ 5.00	8/15/2023
	40,000	—		\$ 5.20	12/26/2024
	7,300	—		\$ 7.80	4/1/2025
	3,108	—		\$ 8.40	7/1/2025
	3,307	—		\$ 8.00	10/1/2025
	37,388	—		\$ 7.80	11/30/2025
	8,297	—		\$ 6.91	3/30/2026
	5,539	—		\$ 5.75	5/16/2026
	8,058	—		\$ 7.22	8/16/2026
	6,299	—		\$ 4.72	11/17/2026
	40,000	—		\$ 4.75	11/30/2026
	14,249	—		\$ 4.20	3/31/2027
	11,887	—		\$ 2.75	5/12/2027
	28,113	—		\$ 1.95	8/14/2027
	40,000	—		\$ 4.65	11/30/2027
	7,620	—		\$ 1.34	6/5/2028
	13,779	—		\$ 1.10	8/16/2028
	8,601	—		\$ 1.46	11/16/2028
	40,000	—		\$ 1.33	11/30/2028
	9,394	—		\$ 0.65	5/14/2029
	200,000	12,500	(4)	\$ 1.06	4/23/2029
	13,543	—		\$ 0.42	8/14/2029
	200,000	29,166	(3)	\$ 0.31	8/27/2029
	22,922	16,668	(4)	\$ 0.17	4/1/2030
	187,000	74,021	(3)	\$ 1.26	8/27/2030
	19,932	8,305	(3)	\$ 3.85	4/1/2031
	13,254	5,891	(2)	\$ 2.96	5/18/2031
	20,665	10,907	(2)	\$ 1.89	8/17/2031
	101,481	65,543	(3)	\$ 2.28	8/27/2031
	13,249	8,097	(2)	\$ 2.41	11/16/2031
Ryan S. Schram	5,000	—		\$ 5.00	3/1/2023
<i>President, Chief Operating Officer</i>	3,750	—		\$ 5.00	3/1/2023
	6,667	—		\$ 5.60	1/1/2025
	1,217	—		\$ 7.80	4/1/2025
	511	—		\$ 8.40	7/1/2025
	560	—		\$ 8.00	10/1/2025
	6,355	—		\$ 7.60	1/1/2026
	1,383	—		\$ 6.91	3/30/2026
	923	—		\$ 5.75	5/16/2026

	1,343	—	\$	7.22	8/16/2026
	1,050	—	\$	4.72	11/17/2026
	6,667	—	\$	4.51	1/1/2027
	2,375	—	\$	4.20	3/31/2027
	2,412	—	\$	2.75	5/12/2027
	4,255	—	\$	1.95	8/14/2027
	6,667	—	\$	4.52	1/1/2028
	2,802	—	\$	1.34	6/5/2028
	3,241	—	\$	1.10	8/16/2028
	624	—	\$	1.46	11/16/2028
	6,667	—	\$	0.98	1/1/2029
	6,509	678	(2) \$	0.65	5/14/2029
	9,569	1,595	(2) \$	0.42	8/14/2029
	6,667	1,668	(3) \$	0.24	1/1/2030
	6,667	2,085	(2) \$	0.17	3/31/2030
	16,155	8,088	(3) \$	1.82	1/1/2031
	3,334	1,876	(3) \$	3.85	4/1/2031
	2,209	—	\$	2.96	5/18/2031
	3,444	—	\$	1.89	8/17/2031
	2,208	—	\$	2.41	11/16/2031
Peter J. Biere	20,000	11,250	(3) \$	3.85	4/1/2031
Chief Financial Officer	4,960	2,756	(2) \$	1.89	8/17/2031
	3,179	2,031	(2) \$	2.41	11/16/2031

- (1) Unless otherwise indicated, the option exercise price represents the closing price of the Company's common stock on the date of grant or the closing price of its common stock on the last trading day prior to the grant date if the grant date falls on a non-trading day. Each of these grants has a ten-year term, indicating that the grant date was 10 years prior to the indicated Option Expiration Date.
- (2) Represents the unvested portion of annual or quarterly bonus awards granted in accordance with the officer's employment agreement based on achievement of certain key performance indicators set at the beginning of each year, vesting in equal monthly installments over four years subsequent to the grant date.
- (3) Represents the unvested portion of annual stock options granted pursuant to an employment agreement and vesting in equal monthly installments over four years subsequent to the grant date.
- (4) Represents the unvested portion of annual or quarterly bonus awards granted in accordance with the officer's employment agreement based on achievement of certain key performance indicators set at the beginning of each year, vesting in equal monthly installments over three years subsequent to the grant date.

Listed below is information with respect to unvested shares of restricted stock or restricted stock units held by each Named Executive Officer as of December 31, 2022, pursuant to the Company's equity incentive plans:

Stock Awards

Name		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market Value or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Edward H. (Ted) Murphy	(1)	37,671	\$ 12,055
<i>Chief Executive Officer</i>	(2)	5,460	\$ 845
	(2)	1,656	\$ 1,010
	(2)	3,122	\$ 3,528
	(2)	7,420	\$ 6,777
	(3)	29,552	\$ 48,761
	(3)	11,406	\$ 12,204
	(3)	23,965	\$ 24,205
	(3)	179,165	\$ 160,657
	(3)	26,626	\$ 17,712
Ryan S. Schram	(4)	21,252	\$ 5,936
<i>Chief Operating Officer</i>	(4)	9,765	\$ 1,511
	(4)	1,120	\$ 683
	(4)	1,083	\$ 1,224
	(4)	2,046	\$ 1,869
	(5)	13,993	\$ 18,751
	(6)	1,642	\$ 2,709
	(6)	854	\$ 914
	(6)	2,994	\$ 3,024
	(6)	4,184	\$ 2,783
Peter J. Biere	(7)	2,501	\$ 4,727
<i>Chief Financial Officer</i>	(7)	1,835	\$ 4,422
	(8)	15,152	\$ 25,000
	(9)	10,857	\$ 17,914
	(9)	6,148	\$ 6,578
	(9)	11,864	\$ 11,983
	(9)	13,146	\$ 8,745

- (1) All restricted stock units convert to an equal number of stock shares upon vesting. On August 29, 2019, the Company issued 258,312 restricted stock units for Mr. Murphy's 2019 stock bonus award under his employment agreement. The stock was initially valued at \$82,660 and vests in equal monthly installments over 48 months.
- (2) On April 3, 2020, May 31, 2020, August 31, 2020, and November 30, 2020, the Company issued 65,531, 14,918, 16,072, and 26,707 restricted stock units, respectively, for Mr. Murphy's 2019 annual stock bonus award and his 2020 quarterly stock bonus awards under his employment agreement. The stock was initially valued at \$10,138, \$9,097, \$18,161, and \$24,394 and vests in equal monthly installments over 36 months after issuance.
- (3) On April 1, 2022, May 19, 2022, August 16, 2022, and November 18, 2022, the Company issued 39,403, 14,665, 29,959, and 27,387 restricted stock units, respectively, for Mr. Murphy's 2022 quarterly stock bonus awards under his employment agreement. On August 27, 2022, the Company issued 200,000 restricted stock units initially valued at \$179,340 for Mr. Murphy's 2022 annual stock bonus. As of December 31, 2022, Mr. Murphy has 326,043 restricted stock units that are unvested with a total market value of \$287,754 based on the closing stock price of \$0.54 on December 31, 2022.
- (4) All restricted stock units convert to an equal number of common stock shares upon vesting. On January 3, 2020, April 3, 2020, May 31, 2020, August 31, 2020, and November 30, 2020, the Company issued 84,994, 31,271, 3,347, 2,730, and 4,476 restricted stock units for Mr. Schram's 2020 quarterly stock bonus award and annual stock bonus award under his employment agreement. The stock was initially valued at \$23,739, \$4,838, \$2,041, \$3,085, and \$4,088 and vests in equal monthly installments over 48 months.

- (5) On January 1, 2022, the Company issued 18,657 restricted stock units for Mr. Schram's 2021 annual stock bonus award under his employment agreement. The stock was initially valued at \$25,000 and vests in equal monthly installments over 48 months.
- (6) On April 1, 2022, May 19, 2022, August 16, 2022, and November 18, 2022, the Company issued 6,567, 2,562, 4,493, and 4,564 restricted stock units, respectively, for Mr. Schram's 2022 quarterly stock bonus award under his employment agreement. The stock was initially valued at \$10,836, \$2,741, \$4,538, and \$3,036 and vests in equal monthly installments over 12 months. As of December 31, 2022, 58,933 restricted stock units are unvested with a total market value of \$39,403 based on the closing stock price of \$0.54 on December 31, 2022.
- (7) All restricted stock units convert to an equal number of common stock shares upon vesting. On August 17, 2021 and November 16, 2021, the Company issued 4,286 and 2,753 restricted stock units for Mr. Biere's quarterly stock bonus awards under his employment agreement. The stock was initially valued at \$8,101 and \$6,635 and vests in equal monthly installments over 36 months.
- (8) On April 1, 2022, the Company issued 15,152 restricted stock units for Mr. Biere's annual stock award under his employment agreement. The stock was initially valued at \$25,000 and has cliff vesting of 25% at one year and then quarterly over 36 months.
- (9) On April 1, 2022, May 19, 2022, August 16, 2022, and November 18, 2022 the Company issued 14,476, 7,378, 12,942, and 13,146 restricted stock units, respectively, for Mr. Biere's 2022 quarterly stock bonus award under his employment agreement. The stock was initially valued at \$23,885, \$7,894, \$13,072, and \$8,745 and vest quarterly over 36 months. As of December 31, 2022, 61,503 restricted stock units are unvested with a total market value of \$79,370 based on the closing stock price of \$0.54 on December 31, 2022.

Employment Agreements

The following is a summary of the employment arrangements with the Company's Named Executive Officers.

Edward H. (Ted) Murphy. On April 21, 2019, the Company entered into an amended and restated employment agreement with Mr. Murphy, with an initial term commencing April 21, 2019 and ending on April 20, 2022. Following the initial term, the employment agreement will automatically renew for successive one-year terms unless the Company or Mr. Murphy provides written notice of non-renewal at least 60 days prior to the end of the current term or the employment agreement is otherwise terminated pursuant to its terms. Pursuant to the employment agreement, Mr. Murphy receives an annual base salary of \$249,900 with a guaranteed base salary increase of no less than 2% in April of each year and an automatic increase of 20% in the event that the Company reaches a market cap of \$50 million for a specified amount of time. The employment agreement provides for annual stock options with a fair value of \$200,000 vesting over four years in equal monthly installments, subject to a maximum of 200,000 underlying shares. In the event the fair market value of the stock option grant is less than \$200,000 as limited by the 200,000-share maximum, Mr. Murphy is entitled to receive the difference in fair market value through a combination of cash and restricted stock units with the same vesting schedule as the stock options, at the sole discretion of the Board. Additionally, he is eligible for an annual bonus of no less than \$85,000 in cash and up to \$150,000 in stock options (subject to a 200,000-share maximum, with any resulting difference in value to be paid in a combination of cash and restricted stock units, at the sole discretion of the Board), in each case paid quarterly pursuant to the terms of the employment agreement. Such annual bonuses are based on the achievement of specified annual performance goals. Each such grant of stock options vests over three years in equal monthly installments.

Effective January 28, 2022, the Company entered into an amendment to Mr. Murphy's employment agreement, that modifies the type of stock awards to be granted pursuant to Section 3 of his employment agreement. In lieu of stock options, the executive shall be granted restricted stock units (as defined in the Company's 2011 Equity Incentive Plan).

Mr. Murphy's employment agreement is subject to early termination (i) by the Company or Mr. Murphy for any reason upon written notice, (ii) by the Company for cause (as such term is defined in the employment agreement), (iii) by Mr. Murphy for good reason (as such term is defined in the employment agreement), and (iv) in the case of death or disability. If terminated, for any reason other than death, disability or cause, Mr. Murphy will be entitled to a severance of six months of his current salary and twelve months of COBRA payments. In the case of termination due to disability, Mr. Murphy will be entitled to a severance of his current salary until such time (but no more than 120 days after such disability) that disability insurance plan payments commence. If there is a change of control (as defined in the employment agreement) and Mr. Murphy's employment terminates within six months following the change of control for reasons other than for cause, then Mr. Murphy will be entitled to such amount equal to twelve months of his then-current base salary and twelve months of COBRA payments. The employment agreement also provides for Mr. Murphy's eligibility to receive benefits substantially similar to those of the Company's other executives.

Ryan S. Schram. Effective January 1, 2021, the Company entered into an amended and restated employment agreement with Ryan S. Schram to serve as its President and Chief Operating Officer through January 4, 2024. The agreement auto-renews for successive one-year periods if no termination notice is provided. Per the agreement, Mr. Schram received an annual base salary of \$300,000 with an annual increase of no less than 2% on January 1st of each year beginning in 2022. Additionally, on January 1st each year, Mr. Schram received annual stock options with a fair value of \$25,000 vesting over four

years in equal monthly installments. However, the number of underlying shares of common stock could not exceed 100,000 shares. In the event the fair market value of the stock option grant was less than \$25,000 as limited by the share cap, Mr. Schram would be entitled to receive either 100% of the difference in fair market value in cash or 100% of the difference in fair market value in restricted stock with the same vesting schedule as the stock options, at the sole discretion of the Board. Mr. Schram would also be eligible for annual bonus distributions up to \$100,000 in cash and \$25,000 in stock options based on meeting certain key performance indicators (KPIs) set forth in his employment agreement, as well as an annual override cash bonus of 0.4% or 0.65% based on the Company's gross revenue. The 100,000 share cap and payout rules also separately apply to the annual KPI-based stock award, except that Mr. Schram would be entitled to 50% of the difference in fair market value in cash. If Mr. Schram was terminated for any reason other than death, disability, or cause, or if he resigned for good reason (as those terms are defined in his employment agreement), Mr. Schram would be entitled to severance of six months' current salary and bonus and override bonus as in effect on the date of termination. A change of control, under which Mr. Schram failed to retain his responsibilities, would be deemed to constitute good reason under his employment agreement.

Effective January 1, 2022, the Company entered into an amendment to Mr. Schram's employment agreement that modifies the type of stock awards to be granted pursuant to Section 3 of his employment agreement. In lieu of stock options, the executive shall be granted restricted stock units (as defined in the Company's 2011 Equity Incentive Plan).

Peter J. Biere. On April 1, 2021, the Company entered into an employment agreement with Peter J. Biere to serve as its Chief Financial Officer through March 31, 2022. Pursuant to the employment agreement, Mr. Biere receives an annual base salary of \$250,000 and received a relocation reimbursement of up to \$25,000. The employment agreement provides for a one-time issuance of 20,000 stock options and an annual issuance of stock options valued at \$25,000, with 25% vesting one year from issuance and the remaining 75% vesting in equal monthly installments thereafter over three years. Additionally, Mr. Biere is eligible to receive bonuses up to \$120,000 annually (or higher as determined by the Board), to be paid in a combination of cash, stock options, and restricted stock units on a quarterly basis, based on the achievement of certain key performance indicators set at the beginning of each year. Each grant of bonus stock options or restricted stock units shall vest over three years in equal monthly installments.

Following the initial term, the Employment Agreement will automatically renew for successive one-year terms unless the Company or Mr. Biere provides written notice of non-renewal at least 60 days prior to the end of the current term. The Employment Agreement is subject to early termination (i) by the Company or Mr. Biere for any reason upon written notice, (ii) by the Company for cause (as such term is defined in the Employment Agreement), (iii) by Mr. Biere for good reason (as such term is defined in the Employment Agreement), and (iv) in the case of Mr. Biere's death or disability. If the Employment Agreement is terminated for any reason other than by the Company for cause or by Mr. Biere without good reason, Mr. Biere will be entitled to payment of expenses, accrued and unused vacation time, and severance of six months of his then-current salary. In the case of termination due to disability, Mr. Biere will be entitled to severance of his then-current salary until such time (but no more than 120 days after such disability) that disability insurance plan payments commence. If there is a change of control (as defined in the Employment Agreement) and Mr. Biere's employment terminates within six months following the change of control for reasons other than for cause or without good reason, then Mr. Biere will be entitled to severance of six months of his then-current salary and six months of his COBRA payments. Additionally, upon a change of control (as such term is defined in the Employment Agreement), Mr. Biere's unvested equity awards will be subject to acceleration pursuant to the terms of the Employment Agreement.

Effective January 1, 2022, the Company entered into an amendment to Mr. Biere's employment agreement that modifies the type of stock awards to be granted pursuant to Section 3 of his employment agreement. In lieu of stock options, the executive shall be granted restricted stock units (as defined in the Company's 2011 Equity Incentive Plan).

Effective January 1, 2023, the Company entered into a second amendment to Mr. Biere's employment agreement that increases the executive's salary to \$320,000 per year. The amendment also increases the eligible bonus amount up to \$144,000 annually paid in cash, based on meeting and exceeding mutually agreed upon key performance indicators/goals (KPIs). The bonus will be split in five equal parts, issued once per quarter and once per year for annual KPIs. Mr. Biere will also be granted RSUs annually on the anniversary of the effective date of the agreement equal to \$25,000 divided by the fair market value of the Company's stock but shall not exceed 100,000 shares. In the event the grant is limited by the 100,000 share cap, the executive will receive 100% of the difference in cash.

Equity Incentive Plans

In May 2011, the Board adopted the 2011 Equity Incentive Plan of IZEA, Inc., which was amended and restated in 2020 (the "2011 Plan"). The 2011 Plan allows the Company to award restricted stock, restricted stock units, and stock options, covering up to 7,500,000 shares of common stock as incentive compensation for its employees and consultants. On August 22, 2011, the Board adopted the 2011 B Equity Incentive Plan (the "2011 B Plan") reserving 4,375 shares of common stock for issuance under the August 2011 Plan. The 2011 B Plan expired on August 22, 2021. As of December 31, 2022, an aggregate of 2,464,147 shares of common stock has been issued in respect of exercised and vested awards under the 2011 Plan.

Under the 2011 Plan, the Board determines the exercise price to be paid for the option shares, the period within which each award may be exercised, and the terms and conditions of each award, including any future vesting restrictions. The exercise price of incentive and non-qualified stock options may not be less than 100% of the fair market value per share of the Company's common stock on the grant date. If an individual owns stock representing more than 10% of the outstanding shares, the price of each share of an incentive stock option must be equal to or exceed 110% of fair market value. Unless otherwise determined by the Board at the time of grant, the purchase price is set at the fair market value of the Company's common stock on the grant date (or the last trading day prior to the grant date, if it is awarded on a non-trading day). Additionally, the term is set at ten years and the option typically vests on a straight-line basis over the requisite service period as follows: 25% one year from the date of grant with the remaining vesting monthly, in equal increments over the following three years. The Company issues new shares for any stock awards or options exercised under the 2011 Plan.

The Company's 2014 Employee Stock Purchase Plan (the "ESPP") provides for the issuance of up to 500,000 shares of its common stock. Any employee regularly employed by the Company for 90 days or more on a full-time or part-time basis (20 hours or more per week on a regular schedule) is eligible to participate in the ESPP. The ESPP operates in successive six-month offering periods commencing at the beginning of each fiscal year half. Each eligible employee who has elected to participate may purchase up to 10% of their annual compensation in common stock not to exceed \$21,250 annually or 2,000 shares per offering period. The purchase price will be the lower of (i) 85% of the fair market value of a share of common stock on the first day of the offering period or (ii) 85% of the fair market value of a share of common stock on the last day of the offering period. The ESPP will continue until January 1, 2024, unless otherwise terminated by the Company's Board. As of December 31, 2022, 136,928 shares have been issued under the ESPP.

The following table sets forth information regarding the securities authorized for issuance under the Company's equity compensation plans as of December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) ⁽¹⁾
Equity compensation plans approved by security holders	2,982,317	\$ 2.83	2,745,081

⁽¹⁾ As of December 31, 2022, the Company had 2,382,009 shares of common stock available for future issuance under the May 2011 Equity Incentive Plan, zero shares of common stock available for future issuance under its August 2011 Equity Incentive Plan and 363,072 shares of common stock available for future issuance under its 2014 Employee Stock Purchase Plan.

As of March 24, 2023, the Company had 62,414,215 shares of common stock issued, which includes 95 shares of unvested restricted stock, outstanding stock options to purchase 1,611,298 shares of its common stock at an average exercise price of \$2.76 per share and unvested restricted stock units of 1,461,980 shares with an intrinsic value of \$945,936.

Director Compensation

The following table sets forth the cash compensation, as well as certain other compensation earned by each person who served as a non-employee director for the Company during the year ended December 31, 2022:

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Total
Brian W. Brady ⁽¹⁾	\$ 25,000	\$ 25,000	\$ —	\$ 50,000
John H. Caron ⁽²⁾	\$ 29,000	\$ 25,000	\$ —	\$ 54,000
Lindsay A. Gardner ⁽³⁾	\$ 25,000	\$ 25,000	\$ —	\$ 50,000
Daniel R. Rua ⁽⁴⁾	\$ 29,000	\$ 25,000	\$ —	\$ 54,000
Patrick J. Venetucci ⁽⁵⁾	\$ 28,000	\$ 25,000	\$ —	\$ 53,000

⁽¹⁾ In 2022, Mr. Brady received 21,186 shares of restricted stock with a grant date fair value of \$25,000. The shares vested in equal monthly installments from January through December 2022. Mr. Brady also received cash compensation of \$25,000 in accordance with the Company's non-employee director compensation program.

- (2) In 2022, Mr. Caron received 21,186 shares of restricted stock with a grant date fair value of \$25,000 upon issuance. The shares vested in equal monthly installments from January through December 2022. Mr. Caron also received cash compensation of \$29,000 in accordance with the Company's non-employee director compensation program.
- (3) In 2022, Mr. Gardner received 21,186 shares of restricted stock with a grant date fair value of \$25,000 upon issuance. The shares vested in equal monthly installments from January through December 2022. Mr. Gardner also received cash compensation of \$25,000 in accordance with the Company's non-employee director compensation program.
- (4) In 2022, Mr. Rua received 21,186 shares of restricted stock with a grant date fair value of \$25,000 upon issuance. The shares vested in equal monthly installments from January through December 2022. Mr. Rua also received cash compensation of \$29,000 in accordance with the Company's non-employee director compensation program.
- (5) In 2022, Mr. Venetucci received 21,186 shares of restricted stock with a grant date fair value of \$25,000 upon issuance. The shares vested in equal monthly installments from January through December 2022. Mr. Rua also received cash compensation of \$28,000 in accordance with the Company's non-employee director compensation program.

Effective March 1, 2013, the Board implemented a compensation program that entitles each serving non-employee director to receive the following compensation:

- An annual board retainer fee of \$25,000 to be paid in restricted stock each calendar year earned equally over the year of service.
- A cash retainer fee of \$20,000 per year, payable in cash or restricted stock.
- Reimbursement of actual and necessary travel and related expenses in connection with attending in-person Board meetings.
- A \$1,000 per meeting fee for all meetings of the Board, subject to a \$6,000 annual cap.
- A \$1,000 per Audit Committee meeting fee, subject to a \$4,000 annual cap.

Directors who are also employees of the Company are not paid for their service as directors.

Effective January 1, 2023, the Board amended the compensation program for each serving non-employee director to receive the following compensation:

- An annual board retainer fee of \$60,000 to be in restricted stock issued in \$15,000 increments on the last day of each quarter and priced at fair market value, vesting immediately.
- A cash retainer fee of \$35,000 per year.
- A standard fee of \$5,500 per year paid out to each Audit Committee member, except with regard to the Audit Committee Chair, who shall receive a fee of \$15,000 per year.
- A standard fee of \$4,500 per year paid out to each Compensation Committee member, except with regard to the Compensation Committee Chair, who shall receive a fee of \$10,000 per year.
- A standard fee of \$3,000 per year paid out to each Nominating & Corporate Governance Committee member, except with regard to the Nominating & Corporate Governance Committee Chair, who shall receive a fee of \$5,500 per year.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners

The following table presents information concerning the beneficial ownership of the Company's common stock as of March 24, 2023 by:

- each person or group of affiliated persons, known to the Company to beneficially own more than 5% of the Company's outstanding common stock ("5% holders");
- each of the Company's directors and named executive officers; and,
- all of the Company's directors and executive officers as a group.

The number of shares of the Company's common stock owned by each person is determined under the rules of the SEC. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire within 60 days after March 24, 2023, or by May 23, 2023, through the conversion of a security or other right. Shares not outstanding but deemed beneficially owned by virtue of the right of a person to acquire those shares are treated as outstanding only for purposes of determining the number

and percent of shares of common stock owned by such person or group. The Company is not aware of any 5% holders of its common stock as of March 24, 2023.

Unless otherwise indicated, the Company believes that all persons named in the following table have sole voting and investment power with respect to all shares of common stock beneficially owned by them, and the address of each person named in the following table is c/o IZEA Worldwide, Inc., 1317 Edgewater Dr #1880 Orlando, FL 32804.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Common Stock Beneficially Owned ⁽¹⁾
Executive Officers and Directors:		
Edward H. (Ted) Murphy ⁽²⁾	1,972,021	3.1 %
Ryan S. Schram ⁽³⁾	286,188	*
Peter J. Biere ⁽⁴⁾	21,432	*
Brian W. Brady ⁽⁵⁾	1,553,993	2.5 %
John H. Caron ⁽⁶⁾	162,472	*
Lindsay A. Gardner ⁽⁷⁾	206,503	*
Daniel R. Rua ⁽⁸⁾	98,139	*
Patrick J. Venetucci ⁽⁹⁾	124,323	*
All executive officers and directors as a group (8 persons) ⁽¹⁰⁾	4,425,071	

* Less than 1 percent.

⁽¹⁾ The applicable percentage of ownership for each holder is based on 62,414,215 shares outstanding as of March 24, 2023.

⁽²⁾ Includes 791,835 outstanding shares of common stock, exercisable stock options to purchase 1,148,220 shares of common stock, and 31,966 restricted stock units expected to vest within the 60 days under the 2011 Plan.

⁽³⁾ Includes 172,617 outstanding shares of common stock, exercisable stock options to purchase 105,241 shares of common stock, and 8,330 restricted stock units expected to vest within the 60 days under the 2011 Plan.

⁽⁴⁾ Includes 6,459 outstanding shares of common stock and exercisable stock options to purchase 1,102 shares of common stock under the 2011 Plan.

⁽⁵⁾ Includes 1,543,486 outstanding shares of common stock and stock options exercisable for 10,507 shares of common stock under the 2011 Plan.

⁽⁶⁾ Includes 159,972 outstanding shares of common stock, stock options exercisable for 2,500 shares of common stock under the 2011 Plan.

⁽⁷⁾ Includes 205,349 outstanding shares of common stock and stock options exercisable for 1,154 shares of common stock under the 2011 Plan.

⁽⁸⁾ Includes 88,549 outstanding shares of common stock and stock options exercisable for 9,590 shares of common stock under the 2011 Plan.

⁽⁹⁾ Includes 119,323 outstanding shares of common stock and stock options exercisable for 5,000 shares of common stock under the 2011 Plan.

⁽¹⁰⁾ For all executive officers and directors as a group, this amount includes outstanding shares of common stock, exercisable stock options to purchase 1,283,314 shares of common stock, and 43,167 restricted stock units expected to vest within 60 days of March 24, 2023, under the 2011 Plan as further detailed in footnotes (2) through (9) above.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Company reviews all transactions involving any of its directors, director nominees, significant shareholders, executive officers, and their immediate family members who are participants to determine whether such persons has a direct or indirect material interest in the transaction. All directors, director nominees, and executive officers must notify the Company of any proposed transaction involving it in which such person has a direct or indirect material interest. Such proposed transaction is then reviewed by either the Board as a whole or the Audit Committee, which determines whether or not to approve the transaction. After such review, the reviewing body approves the transaction only if it determines that the transaction is in, or not inconsistent with, the best interests of the Company and its shareholders.

Certain Transactions

During the fiscal years ended December 31, 2022 and 2021, there were no transactions, nor are there any currently proposed transactions, in which the Company was or is to be a participant and the amount involved exceeded the lesser of \$120,000 or 1% of the average of its total assets at year-end for the last two completed fiscal years, and in which any of its officers, directors, beneficial owners of more than 5% of the Company's outstanding common stock or other related persons had or will have a direct or indirect material interest.

Director Independence

The Board has determined that Brian W. Brady, John H. Caron, Lindsay A. Gardner, Daniel R. Rua, and Patrick J. Venetucci are "independent directors" as defined in Nasdaq Listing Rule 5605(a)(2). As provided by the Nasdaq rules, the Board has made a subjective determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board reviewed and discussed information provided by the directors with regard to each director's business and personal activities as they may relate the Company's management.

ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Committee Policies and Procedures

The Audit Committee must pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by the Company's independent auditors, subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act, which the Board should nonetheless approve prior to the completion of the audit. Each year, the Audit Committee approves the independent auditor's retention to audit the Company's financial statements, including the associated fee, before filing the previous year's Annual Report. At the beginning of the fiscal year, the Audit Committee will evaluate other known potential engagements of the independent auditor, including the scope of work proposed to be performed and the proposed fees, and approve or reject each service, considering whether the services are permissible under applicable law and the possible impact of each non-audit service on the independent auditor's independence from management. At each such subsequent meeting, the auditor and management may present subsequent services for approval. Typically, these would be services, such as due diligence for an acquisition, that would not have been known at the beginning of the year.

Each engagement of BDO USA, LLP ("BDO") and GRANT THORNTON, LLP ("GT"), independent registered public accounting firms, have been approved in advance by the Board, and none of those engagements made use of the *de minimis* exception to the pre-approval contained in Section 10A(i)(1)(B) of the Exchange Act.

The aggregate fees billed by the principal accountant(s) for each of the last two fiscal years for professional services rendered for the audit and review of the financial statements were \$708,645 and \$269,941 for the twelve months ended December 31, 2022, and 2021, respectively. Fees for 2022 were substantially higher due to the restatement included in our Annual Report on Form 10-K for the fiscal year 2021 and transition from BDO to GT.

Fee Category	Twelve Months Ended December 31,	
	2022	2021
Audit Fees ⁽¹⁾	\$ 646,937	\$ 197,633
Tax Fees ⁽²⁾	61,708	72,308
Total	\$ 708,645	\$ 269,941

⁽¹⁾ "Audit Fees" means the aggregate fees billed by the principal accountant(s) for each of the last two fiscal years for professional services rendered for the audit and review of financial statements.

⁽²⁾ "Tax Fees" means the aggregate fees billed by tax professionals for costs associated with the preparation and filing of taxes.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

- (1) Financial Statements (see “Consolidated Financial Statements and Supplementary Data” at Item 8 and incorporated herein by reference).
- (2) Financial Statement Schedules (Schedules to the Financial Statements have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying Financial Statements or notes thereto).
- (3) Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of IZEA, Inc., filed with the Nevada Secretary of State on November 28, 2011 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 23, 2011).
3.2	Certificate of Change of IZEA, Inc., filed with the Nevada Secretary of State on July 30, 2012 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on August 1, 2012).
3.3	Certificate of Amendment to Articles of Incorporation filed with the Secretary of State of the State of Nevada on April 17, 2014 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on April 18, 2014).
3.4	Certificate of Withdrawal of Certificate of Designation filed with the Secretary of State of the State of Nevada effective January 23, 2015 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 29, 2015).
3.5	Certificate of Amendment filed with the Secretary of State of the State of Nevada effective January 11, 2016 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 12, 2016).
3.6	Amended and Restated Bylaws of IZEA, Inc. (Incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed with the SEC on November 23, 2011).
3.7	First Amendment to Bylaws of IZEA Worldwide, Inc. (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on September 27, 2022).
3.8	Certificate of Designation (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on May 27, 2011).
3.9	Articles of Merger of IZEA Innovations, Inc. filed with the Secretary of State of the State of Nevada effective April 5, 2016 (Incorporated by reference to Exhibit 3.11 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 11, 2016).
3.1	Articles of Merger of IZEA Worldwide, Inc. filed with the Secretary of State of the State of Nevada effective August 20, 2018 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on August 23, 2018).
3.11	Articles of Merger of IZEA Worldwide, Inc. filed with the Secretary of State of the State of Nevada effective December 17, 2019 (Incorporated by reference to Exhibit 3.10 to the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2020).
3.12	Articles of Merger of IZEA Worldwide, Inc. filed with the Secretary of State of the State of Nevada effective December 14, 2020 (Incorporated by reference to Exhibit 3.10 to the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2021).
4.1	Description of Common Stock of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934 (Incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2020).
10.1	(a) 2011 Equity Incentive Plan, As Amended and Restated December 18, 2020 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 21, 2020).
10.2	(a) 2014 Employee Stock Purchase Plan, As Amended and Restated December 18, 2018 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on December 20, 2018).
10.3	(a) Summary of director compensation plan (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 12, 2020).

10.4	(a)	Amended and Restated Employment Agreement between IZEA, Inc. and Edward Murphy dated April 21, 2019 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 24, 2019).
10.5	(a)	Amended and Restated Executive Employment Agreement between IZEA, Inc. and Ryan Schram dated January 1, 2021 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 6, 2021).
10.6	(a)	Employment Agreement between IZEA, Inc. and Peter Biere effective April 1, 2021 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 18, 2021).
10.7	(a)	First Amendment to Amended and Restated Executive Employment Agreement between IZEA Worldwide, Inc. and Edward H. Murphy dated January 28, 2022.
10.8	(a)	First Amendment to Amended and Restated Executive Employment Agreement between IZEA Worldwide, Inc. and Ryan Schram dated January 28, 2022 and effective January 1, 2022.
10.9	(a)	First Amendment to Executive Employment Agreement between IZEA Worldwide, Inc. and Peter J. Biere dated January 28, 2022.
10.11	(a)	Second Amendment to Executive Employment Agreement between IZEA Worldwide, Inc. and Peter J. Biere dated January 9, 2023.
10.12	(a)	Forms of grant notice, stock option agreement, and notice of exercise under the IZEA Worldwide, Inc. 2011 Equity Incentive Plan.
10.13	(a)	Forms of restricted stock unit grant notice and award agreement under the IZEA Worldwide, Inc. 2011 Equity Incentive Plan.
10.14	(a)	Forms of restricted stock award grant notice and award agreement under the IZEA Worldwide, Inc. 2011 Equity Incentive Plan.
21.1	*	List of Subsidiaries of IZEA Worldwide, Inc.
23.1	*	Consent of BDO USA, LLP, independent registered public accounting firm.
23.2	*	Consent of GRANT THORNTON, LLP, independent registered public accounting firm.
31.1	*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	*	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	* (b)	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	* (b)	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	* (c)	The following materials from IZEA Worldwide, Inc.'s Annual Report for the year ended December 31, 2022 are formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Loss, (iii) the Consolidated Statement of Stockholders' Equity, (iv) the Consolidated Statements of Cash Flow, and (v) the Notes to the Consolidated Financial Statements.

* Filed or furnished herewith.

(a) Denotes management contract or compensatory plan or arrangement.

(b) In accordance with Item 601 of Regulation S-K, this Exhibit is hereby furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

(c) In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 16 – FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**IZEA Worldwide, Inc.
a Nevada corporation**

March 31, 2023

By: /s/ Edward H. Murphy
Edward H. Murphy
Chairman and Chief Executive Officer
(Principal Executive Officer)

March 31, 2023

By: /s/ Peter J. Biere
Peter J. Biere
Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>/s/ Edward H. Murphy</u> Edward H. Murphy Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	March 31, 2023
<u>/s/ Peter J. Biere</u> Peter J. Biere Chief Financial Officer (Principal Financial and Accounting Officer)	March 31, 2023
<u>/s/ Ryan S. Schram</u> Ryan S. Schram President, Chief Operating Officer and Director	March 31, 2023
<u>/s/ Brian W. Brady</u> Brian W. Brady Director	March 31, 2023
<u>/s/ John H. Caron</u> John H. Caron Director	March 31, 2023
<u>/s/ Lindsay A. Gardner</u> Lindsay A. Gardner Director	March 31, 2023
<u>/s/ Daniel R. Rua</u> Daniel R. Rua Director	March 31, 2023
<u>/s/ Patrick J. Venetucci</u> Patrick J. Venetucci Director	March 31, 2023