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, 2023

☐ 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	**37-1530765**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1317 Edgewater Dr., # 1880, Orlando, FL	**32804**
(Address of principal executive offices)	(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 o No x

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 o No x

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 x No o

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 o

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	☐	Accelerated filer	☐
Non-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. o

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 o No x

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2023 (the last business day of the registrant's most recently completed second fiscal quarter) was $36,097,930 based on the closing bid price of the registrant's common stock of $2.42 per share on such date. 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 25, 2024, 16,630,271 shares of our common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Annual Report on Form 10-K for the period ended December 31, 2023

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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,” “future,” “forecasts,” “goal,” “hopes,” 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 that may harm our business; including supply-chain issues, labor distribution, business closures, and inflationary pressures;
- a few of our customers accounting for a significant portion of our gross billings and accounts receivable, and the loss of, or reduced purchases from, these or other customers having a material adverse effect on our operating results;
- 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 maintain effective internal control over financial reporting and 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;
- impacts of the situation in the Middle East and the military conflict between Russia and Ukraine, and the global responses to them;
- risks associated with doing business internationally; and
- the other risks and uncertainties described in the Risk Factors section of this Annual Report.

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.

PART I

ITEM 1 – BUSINESS

Our Mission

Our mission is to Champion the Creators, enabling individuals from various backgrounds—from college students and stay-at-home parents to celebrities and professional journalists—to monetize their digital content, creativity, and influence. We compensate creators for their unique contributions, such as producing and distributing various forms of content (e.g., text, videos, photos, status updates, illustrations) on behalf of marketers across different websites, blogs, and social media channels.

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, we 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. In December 2023, IZEA purchased all the outstanding shares of capital stock in Hoozu Holdings LTD ("Hoozu") and acquired certain assets and liabilities of Zuberance, Inc., a pioneering advocate marketing solution platform.

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 Company introduced the idea when there were no ads on Facebook, YouTube, or X (formerly Twitter), and social media was largely void of corporate marketing messages. Since then, the landscape has changed dramatically. 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 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 at scale due to the ever-changing industry landscape.

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 and data 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 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.

Our Business

IZEA is a pioneering marketing technology company that offers cutting-edge software and professional services, empowering brands to engage and transact with a diverse range of social influencers and content creators. As staunch advocates of the burgeoning creator economy, we facilitate individuals' capitalizing on their creativity, content, and influence. We pride ourselves on having innovated the concept of an influencer marketplace in 2006 with the introduction of our inaugural platform, PayPerPost. Since then, we have been dedicated to enhancing our product and service offerings. Our clientele spans from independent content creators to Fortune 10 brands, all integral parts of an ecosystem powered by mutually advantageous collaborations. These collaborations manifest in three key ways:

Influencer Marketing: We partner with marketers to facilitate influencer marketing campaigns. This involves a brand compensating an individual with a substantial social following to create sponsored content and disseminate it among their followers.

Custom Generated Content ("CGC"): Unlike influencer marketing that targets individuals with large followings irrespective of brand loyalty, CGC emphasizes content creation by brand advocates ("Advocates"). Advocates represent a brand's most loyal customers. We assist brands in generating more CGC through dedicated programs aimed at boosting online visibility and driving sales.

Custom Content: We collaborate with marketers to supplement or replace their content development initiatives on their website, social media, and other channels. Our network of creators produce editorial and marketing content for both online and offline publication. Additionally, we enable our customers to utilize generative artificial intelligence ("AI") to produce content programmatically.

We offer two primary modes of engagement for our customers. Firstly, they can opt for our 'Managed Services', where our team of professionals oversees their initiatives. This hands-on approach allows our clients to fully leverage our expertise, from strategizing and planning to executing collaborations. Secondly, for those who prefer a more independent approach, we offer 'Software as a Service' ("SaaS") tools. With this option, customers can manage their own programs using our intuitive, self-service software tools.

While the lion's share of our current revenue is derived from Managed Services customers, the majority of our clientele comprises those who license our software. While our software clientele includes Fortune 500 customers amongst the smaller businesses who lean toward our SaaS offerings, larger corporations and agencies tend to favor our Managed Services. This preference could be attributed to the level of human resources, control, flexibility, and scalability each option offers.

Regardless of the mode of engagement, our software platforms remain the cornerstone of all our operations. We rely on them to drive our services and deliver value to our customers. Our primary software platforms today include IZEA Flex and IZEA.com. Each of these platforms is uniquely designed to facilitate specific aspects of collaborations between creators and brands.

Our Platforms

Flex. In response to evolving user needs and industry dynamics, we developed IZEA Flex ("Flex") as our new flagship platform for enterprise influencer marketing. Flex was initially announced in September 2022, with its full commercial launch in January 2023. Flex replaced The IZEA Exchange ("IZEAx"), our primary technology platform until mid-2023.

While Flex borrows from some of the concepts and underlying technology pioneered by the development of IZEAx, it approaches the problems faced by influencer marketing professionals differently. While IZEAx was heavily focused on predefined processes and workflows, Flex is designed to be much more open and "flexible." This approach allows marketers to work with influencers and their representation on any platform in whatever way they see fit - while retaining data, tracking, and operational organization.

The result is a comprehensive suite of tools that, individually, supercharge influencer marketing efforts and become even more powerful when combined. Flex comprises seven core modules:

- ***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***, which provides deep integrations such as with Google Analytics, Gmail, and Shopify, unlocking additional data sources and insights for marketers.
- ***Tracking Links***, which provides real-time tracking metrics for influencer marketing and can track customer conversions, spend, and purchases when used with other Flex modules;
- ***Contacts***, which provides the ability to create custom contact lists that span the creator ecosystem, including influencers, agents, and legal representation; smart lists that use demographic information to group creator contacts automatically; and
- ***Transactions***, which makes sending electronic creator payments faster and at a lower cost, providing searchable transaction data.

In addition to supporting open operating modalities, Flex also enables the measurement of influencer marketing campaigns at scale. Marketers can see the revenue generated from each piece of content published by an influencer and are able to better understand the ROI for each campaign they execute on the platform.

Throughout 2023, we have introduced several key features to the platform to enhance its capabilities in influencer marketing. The first significant addition is the Dynamic Content Requests feature, which allows marketers to customize and streamline their content requirements from influencers, making the campaign management process more efficient.

Another major update is the expansion of AI tools within the platform, including AI Briefs and AI Brainstorm. These tools leverage AI to assist in creating detailed campaign briefs and generating creative campaign ideas, respectively. AI Briefs simplify the process of briefing influencers by automatically generating detailed project outlines based on a few input parameters, while AI Brainstorm helps marketers come up with innovative concepts for their campaigns, enhancing creativity and effectiveness.

The introduction of Flex Offers simplified the negotiation and agreement process between brands and influencers. This feature streamlines offer management by providing a centralized platform where terms can be negotiated, offers can be made, and agreements can be finalized, all within a secure and transparent environment. This facilitates smoother collaboration and faster agreement closures.

Lastly, Comprehensive Expense Management has been added to offer users a more robust tool for tracking and managing off-platform expenses related to influencer marketing campaigns. This feature allows for integrating expense tracking into the campaign management process, enabling marketers to maintain a clear overview of their budget and spending. It supports allocating funds, tracking payments, and analyzing campaign costs, providing a comprehensive financial management tool within the IZEA Flex platform.

IZEA Flex is assertively and aggressively priced, standing out against other market offerings. Our strategic vision is to provide an ideal equilibrium between cost and value, ensuring our customers enjoy top-tier services at a reasonable price. We acknowledge that the high cost of many solutions in our sector can be a significant obstacle for numerous prospective customers, particularly those seeking long-term market opportunities. We firmly believe this steep price barrier curtails the broader market's potential and impedes the industry's expansion.

IZEA.com. In October 2022, we launched *The Creator Marketplace (*"Marketplace*")* on IZEA.com, replacing and enhancing the functionality of Shake, a legacy marketplace product. IZEA.com provides creators with powerful tools to present their work to marketers ("Listings"). It allows marketers to search a database of influencers eager to work with brands and make purchases directly through the platform. In addition to searching creator Listings, marketers can create their own "Casting Calls", allowing them to openly solicit Creators to participate in their campaigns. This offering makes it easier for Marketers to identify and establish communications with influencers. Rather than searching for influencers and doing outreach, influencers now come to brands.

In addition to the Marketplace functionality added to IZEA.com in 2022, we have implemented a suite of generative AI tools designed to help creators and marketers create content.

FormAI, unveiled by IZEA in June 2023, represents a significant advancement in integrating AI in the influencer marketing ecosystem. It is a comprehensive suite of AI tools designed specifically for those in the creator economy. FormAI helps users enhance their creative process and aids in text and visual content development.

With FormAI, IZEA aims to make it easier for both marketers and influencers to produce more interesting content faster and at a lower cost. We are doing so by combining various AI technologies into a seamless experience with a higher level of content control, predictability, and ease of use. FormAI leverages the best aspects of solutions like ChatGPT, Stable Diffusion, and Dall-E 3, and brings discrete technologies together in a way that hasn't been done before.

Key features include generative AI image creation and manipulation tools such as background removal, background replacement, and image transformation. One of the standout features of FormAI is the FormAI Mixers, which allow AI to be trained on faces, objects, and styles to create generative images. These Mixers can be shared among creators, brands, and talent management, fostering a collaborative ecosystem for content creation. Mixers underscore IZEA's commitment to innovating influencer marketing by enabling unique collaborative content creation opportunities.

On December 1, 2023, IZEA acquired certain assets and liabilities of Zuberance, an advocate marketing solutions provider. Branded as Zuberance by IZEA, marketers build white-label communities of their customers and influencers through licensed access to Zuberance tools. They engage these communities to serve as advocates for their brand, leading to low-cost content creation. Zuberance enables businesses to boost brand affinity, generate influential social content, drive reviews, and gather customer feedback. Through a third-party solution, Zuberance offers a rewards system to incentivize advocate actions and integrates seamlessly with leading e-commerce platforms. Zuberance's advocate marketing tools may be custom-branded and structured to align seamlessly with a marketer's unique business model, customer journey, and technological infrastructure. The company also offers full-service solutions, designing, developing, and managing advocate marketing programs and campaigns from end to end.

Sales and Marketing

We 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 two primary ways:

Client Development Team. Our client development teams (sales) are assigned a geographic region or specific markets. We have sales representation in the U.S., Canada, China, South Korea, and the United Kingdom. In December of 2023, we added representation in Australia by acquiring Hoozu. Client Development team members are responsible for proactively identifying and managing sales opportunities to brands and agencies.

Demand Generation. We utilize a variety of marketing strategies and platforms to create demand for our Managed Services and SaaS offerings. Our demand generation activities result in a large funnel of potential customers, and we view both marketers and creators as our customers. Our demand generation goal is to funnel our customers into the right offering to accomplish their objectives, be that Managed Services, SaaS, or a combination thereof.

Our overarching strategy is to offer creator economy solutions at every stage of the customer journey, no matter the size of the customer today. Our software offerings start as low as $9 per month, while certain Managed Services customers may spend millions of dollars with us annually. Our SaaS solutions are designed to be low-cost and low-touch, requiring few IZEA personnel to manage customer relationships. Conversely, our Managed Services offering is a white glove premium offering, with a team of professionals catering to each individual customer's needs.

IZEA's leadership team has an extensive background in marketing and has been responsible for implementing marketing programs for some of the world's biggest companies. We focus our corporate marketing efforts on increasing brand awareness, communicating 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 brand awareness 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 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 our software 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 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 99% and 96% of our revenue during the twelve months ended December 31, 2023 and 2022, respectively. SaaS Services accounted for approximately 1% and 4% of our revenue during the twelve months ended December 31, 2023, and 2022, respectively.

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

The majority of our customers are located in the United States (“U.S.”). With the Hoozu acquisition, we have established a beachhead in the Australia region. We have also seen organic global growth in recent years through our efforts in China. We had one customer that accounted for 23% of our revenue during the twelve months ended December 31, 2023, and one customer that accounted for 29% of our revenue during the twelve months ended December 31, 2022.

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. IZEA technology includes generative AI content creation, 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.

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 IZEA.com 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, 2023, we owned 51 trademarks (32 domestic trademark registrations in the U.S. and 19 foreign registrations on the International Register) and had 6 total pending applications in the U.S., Canada, and Nigeria. During the year ended December 31, 2023, we abandoned 5 inactive U.S. trademarks. As of December 31, 2023, we also owned approximately 363 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, and new laws are expected to be passed in 2024 in Florida, Montana, Oregon, and Texas. 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, 2023, we had 153 employees, of which 152 were full-time employees, including 65 in sales and marketing, 45 in campaign fulfillment, 20 in technology and development, and 23 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 X (formerly Twitter), @izea on Instagram, @izea on TikTok, 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 $85.4 million as of December 31, 2023. For the twelve months ended December 31, 2023, we had a comprehensive loss of $6.8 million, including a $9.9 million loss from operations. We have not achieved profitability and cannot be certain that we will be able to realize sufficient revenue to achieve profitability. If we achieve profitability, we may not be able to sustain it. Therefore, we may need to raise capital through new financings, which could include equity financing, such as additional issuances of common stock under our "at the market offering" program, which may be dilutive to stockholders, or debt financing, which would likely restrict our ability to borrow from other sources. In addition, securities we issue may contain rights, preferences, or privileges senior to those of the rights of our current stockholders. There can be no assurance that additional funds will be available on terms attractive to us, or at all. If adequate funds are unavailable, we may be required to curtail or reduce our operations or be forced to sell or dispose of our rights or assets. An inability to raise adequate funds on commercially reasonable terms would have a material adverse effect on our business, results of operation, and financial condition, including the possibility that a lack of funds could cause our business to fail and liquidate with little or no return to investors.

A few of our customers account for a significant portion of our gross billings and accounts receivable, and the loss of, or reduced purchases from, these or other customers could have a material adverse effect on our operating results.

A significant portion of our gross billings and accounts receivable are attributable to a small number of customers. During the twelve months ended December 31, 2023, one customer accounted for more than 10% of gross billings, and one customer accounted for more than 10% of total accounts receivable. During the three months ended December 31, 2022, two customers each accounted for more than 10% of gross billings, and three customers each accounted for more than 10% of accounts receivable. In January 2023, we announced that we began the process of parting ways with the customer accounting for a large portion of our gross billings and accounts receivable for the years ended December 31, 2023 and 2022. The concentration of our sales with a relatively small number of customers makes us particularly dependent on factors, both positive and negative, affecting those customers. If demand for our services from these customers increases, our results are favorably impacted, while if their demand for our services decreases, they may reduce their purchases of, or stop purchasing, our services, and our operating results would suffer. The Company does not typically engage in contracts that are longer than one year, and so most of our customers can reduce or cease business with us on a relatively short basis. The loss of a large customer and failure to add new customers to replace lost revenue would have a material adverse effect on our business, financial condition, and results of operations.

We have recently engaged, and may in the future engage, in acquisitions that could be difficult to integrate, divert the attention of key personnel, cause dilution to our shareholders and harm our financial condition and operating results.

From time to time, we may acquire businesses, and the successful integration of such acquisitions is critical to our success. On December 1, 2023, we completed our acquisition of Hoozu, an influencer marketing agency with its base of operations in Australia, and on December 1, 2023, acquired Zuberance, an advocate marketing software platform. Our integration of the Hoozu and Zuberance businesses into our operations is a complex and time-consuming process that may not be successful. The primary areas of focus for successfully combining the Hoozu business, and other businesses we may acquire, with our operations may include, among others: retaining and integrating talent and key employees; integrating information, communications and other systems; and managing the growth of the overall company.

We may in the future make additional acquisitions of, or investments in, companies that we believe have products or capabilities that are a strategic or commercial fit with our current business or otherwise offer opportunities for our company. In connection with these acquisitions or investments, we may issue common stock or other forms of equity that would dilute our existing shareholders' percentage of ownership, incur debt and assume liabilities, and incur amortization expenses related to intangible assets or incur large and immediate write-offs.

We may not be able to complete acquisitions on favorable terms, or at all. Even if we successfully integrate an acquired business, such as Hoozu or Zuberance, into our operations, there can be no assurance that we will realize the anticipated benefits. We acquired Hoozu, and may in the future seek to acquire other businesses, with the expectation that the acquisition would result in various benefits for the combined company including, among others, business and growth opportunities and significant synergies from increased efficiency in client conversion and corporate support. Increased competition and/or deterioration in business conditions may limit our ability to expand the acquired business. As such, we may not be able to realize the synergies, goodwill, business opportunities and growth prospects anticipated in connection with any acquisition.

Acquisitions may also have unanticipated tax, legal, regulatory and accounting ramifications, including recording goodwill and non-amortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges and incurring amortization expenses related to certain intangible assets.

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

As a result of the COVID-19 pandemic, in 2020 our workforce shifted from in-person to remote work, and we 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.

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

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

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

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

Various factors contribute to 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.

Our Flex and Marketplace platforms may not achieve sufficient market acceptance to be commercially viable for open marketplace or SaaS services.

In October 2022, we launched Marketplace on IZEA.com, replacing Shake with significantly upgraded functionality. In January 2023, we launched Flex*,* which replaced our legacy IZEAx platform, both for self-serve marketers to manage their influencer campaigns and for IZEA’s Managed Services business. If our marketers and creators do not perceive these platforms to be of high value and quality, we may not be able to retain them or acquire new marketers and creators. Our new platform license plans, which are materially lower than our previous platform license costs, require a larger number of customers to generate significant revenues, which we may be unable to achieve.

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

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

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

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 and Australian dollars, affect our results of operations and financial position. With respect to international sales initially priced using U.S. dollars as a cost basis, a decrease in the value of foreign currencies relative to the U.S. dollar would make our products less price competitive. Once the product is sold at a fixed foreign currency price, we could experience foreign currency gains or losses that could have a material effect on our operating results.

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

Due to the global nature of social media and our services, various states or foreign countries might attempt to regulate our transmissions or levy sales, income, or other taxes relating to our activities. Tax authorities at the international, federal, state, and local levels are currently reviewing the appropriate treatment of companies engaged in Internet commerce. New or revised international, federal, state, or local tax regulations may subject us or our creators to additional sales, income, and other taxes. We cannot predict the effect of current attempts to impose sales, income, or other taxes on commerce over social media. New or revised taxes and, 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 social media platforms on which we are dependent, or may be adopted in the future concerning social media covering issues such as:

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

The applicability of existing laws governing issues such as property ownership, copyrights, and other intellectual property, encryption, taxation, libel, and export or import matters to social media platforms is uncertain. 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 social media and 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"), as described in the section "Business - Government Regulation." 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 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.

Risks Relating to our Common Stock

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

Our common stock is listed for trading on the Nasdaq Capital Market ("Nasdaq") under the symbol "IZEA." To maintain this listing, we must satisfy Nasdaq's continued listing requirements, including, among other things, a minimum closing bid price requirement of $1.00 per share for continued inclusion on the Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule").

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. 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. On June 14, 2023, the Company enacted a reverse split of its issued and outstanding common shares at a ratio of 1-for-4, designed to regain compliance with the Bid Price Rule. On July 6, 2023, the Company received notification from Nasdaq that it had regained compliance with the Bid Price Rule after effecting a reverse stock split, following which the closing bid price of IZEA's common stock was at $1.00 per share or greater for the prior 10 consecutive business days.

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

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

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

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

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

As of March 25, 2024, we had 16,264,416 shares of our common stock issued and outstanding, which included outstanding stock options to purchase 343,570 shares of our common stock at an average exercise price of $9.53 per share, and unvested restricted stock units of 1,375,720 shares with an intrinsic value of $2,750,070. We also have reserved 1,154,911 shares of common stock under our May 2011 Equity Incentive Plan for issuing stock options, restricted stock, or other awards to purchase or receive, and 80,978 shares of common stock under our 2014 Employee Stock Purchase Plan.

On November 30, 2023, the IZEA Board of Directors adopted the IZEA Worldwide, Inc. 2023 Inducement Plan (the “Inducement Plan”) to accommodate equity grants to new employees hired by IZEA or its subsidiaries, including employment inducements in connection with acquisition transactions. Under the Inducement Plan, IZEA may grant restricted stock units (“RSUs”), including performance-based and time-based RSUs, with respect to up to a total of 1,800,000 shares of IZEA common stock. As permitted by Rule 5635(c)(4) of the Nasdaq Listing Rules, the Inducement Plan was adopted without stockholder approval. As of March 25, 2024, an aggregate of 338,354 RSUs have been issued under the Inducement Plan.

In the future, we may grant these additional shares or issue new securities, per terms defined in employment agreements or as part of additional incentive programs. The exercise, conversion, or exchange by holders of stock options, 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, 2023, to December 31, 2023, the closing price of our common stock ranged from a low of $2.01 on December 29, 2023, to a high of $3.21 on June 7, 2023. During the twelve months ended December 31, 2023, the closing price of our common stock averaged $2.43 with an average daily trading volume of 39,041 shares.

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

- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- limited “public float” in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market prices of our common stock;
- speculative trading practices of certain market participants;
- actual or purported “short squeeze” trading activity;
- expiration of any Rule 144 holding periods or registration of unregistered securities issued by us;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- loss of any strategic relationship or significant customer;
- regulatory developments; and
- economic and other external factors.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock.

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

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

General Risks

Adverse macroeconomic or market conditions may harm our business.

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

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

Geopolitical instability, including the wars in Ukraine and the Middle East, could have a significant adverse effect on our business, results of operations, financial condition, and cash flow in the future.

Geopolitical crises raise a host of potential threats and risk factors to consider even though we do not conduct business directly in Ukraine or Russia, and only conduct limited business connected to Israel. Geopolitical instability may lead to sanctions brought against aggressor countries that will impact the import, export, sale, and supply of goods and services with companies located in the U.S. and other regions. Many companies have ceased all operations in certain warring countries with near- and short-term losses expected in the millions. This will have a negative impact on the global economy and affect economic and capital markets. A downturn in the economy could drive our customers to cancel or reduce existing bookings, which will result in a reduction in revenue.

In light of the dramatic sanctions imposed against Russia, the U.S. Cybersecurity and Infrastructure Security Agency ("CISA") 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 an attack, it could have an adverse effect on our business operations.

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

The Sarbanes-Oxley Act and new rules subsequently implemented by the SEC have required changes in 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.

ITEM 1B - UNRESOLVED STAFF COMMENTS

None.

ITEM 1C - CYBERSECURITY

Risk Management and Strategy

As part of our enterprise risk assessment function, which is led jointly by IZEA's President & COO; our Director, Systems & Security; and our Senior Development Operations (DevOps) leader, we have implemented processes to assess, identify and manage the material risks facing the company, including from cyber threats. Our enterprise risk assessment function is part of our overall risk management processes. Our cybersecurity program is built upon internationally recognized frameworks, such as SOC-2 compliance for systems and organization controls related to our software development, and maps to standards published by Center for Internet Security (CIS) for our day to day operational stance. We believe that our processes provide us with a comprehensive assessment of potential cyber threats. We conduct regular scans, penetration tests, and vulnerability assessments to identify any potential threats or vulnerabilities in our systems. Our processes to assess, identify and manage the material risks from cyber threats include the risks arising from threats associated with third party service providers, including cloud-based platforms.

We have developed a robust cyber crisis response plan which provides a documented framework for handling high severity security incidents and facilitates coordination across multiple parts of the company. Our incident response team constantly monitors threat intelligence feeds, handles vulnerability management and responds to incidents. In addition, we routinely perform training, simulations, and drills across company personnel.

Internally, we have a security awareness program which includes training that reinforces our information technology and security policies, standards and practices, and we require that our employees comply with these policies. The security awareness program offers training on how to identify potential cybersecurity risks and protect our resources and information. This training is mandatory for all employees on an annual basis, and it is supplemented by testing initiatives, including periodic phishing tests. We also provide specialized security training for certain employee roles, such as application developers. Finally, our privacy program requires all employees to take periodic awareness training on data privacy. This training includes information about confidentiality and security, as well as responding to unauthorized access to or use of information.

From time to time, we engage third-party service providers to enhance our risk mitigation efforts. For instance, we have routinely engaged an independent cybersecurity advisor to lead a cybersecurity crisis simulation exercise that has been used by our senior leaders to prepare for a possible cyber crisis. In addition, we have engaged: 7 Layer Solutions, a security auditor and advisor in systems administration and penetration testing; A-LIGN, a systems auditor and advisor for cybersecurity and compliance; Grant Thornton, an IT Systems auditor and assurance vendor; and KnowBe4, an email security and cybersecurity training partner. We also purchase insurance to protect us against the risk of cybersecurity breaches. Our General Counsel and CFO are responsible for our insurance programs and review our cyber insurance policies on an annual basis and assess whether we have appropriate coverage.

To date, risks from cybersecurity threats have not previously materially affected us, and we currently do not expect that the risks from cybersecurity threats are reasonably likely to materially affect us, including our business, strategy, results of operations or financial condition. However, as discussed more fully under “Item 1A – Risk Factors”, the sophistication of cyber threats continues to increase, and the preventative actions we take to reduce the risk of cyber incidents and protect our systems and information may be insufficient. Accordingly, no matter how well designed or implemented our controls are, we will not be able to anticipate all security breaches of these types, including security threats that may result from third parties improperly employing AI technologies, and we may not be able to implement effective preventive measures against such security breaches in a timely manner.

Governance

Role of Management

IZEA’s President & COO, our Director, Systems & Security, and our Senior Development Operations (DevOps) leader, are jointly responsible for the day-to-day management of our cybersecurity risks. We have established a Security Council, which includes our President & COO; Director, Systems & Security; Senior Manager, Systems & Security; Chief Financial Officer; General Counsel and other senior officers, that meets on at least a quarterly basis to review cybersecurity and information security matters. The Security Council has primary management oversight responsibility for assessing and managing information security, fraud, vendor, data protection and privacy, and cybersecurity risks.

We have a security incident response framework in place. We use this incident response framework as part of the process we employ to keep our management and Board of Directors informed about and monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents. The framework is a set of coordinated procedures and tasks that our incident response team, under the direction of our President & COO, executes with the goal of ensuring timely and accurate resolution of cybersecurity incidents. Our cybersecurity framework includes regular compliance assessments with our policies and standards and applicable state and federal statutes and regulations. In addition, we validate compliance with our internal data security controls through the use of security monitoring utilities and internal and external audits.

Our President & COO and our Director, Systems & Security each have extensive experience in the information technology area. In particular, our Director, Systems & Security has over twenty years of professional experience in the information security area, including as a result of his service as a director of security, a security architect, and a software security engineer at companies such as Squarespace, Verizon Media (Oath), Tumblr, Bridgewater Associates and EMC.

Role of the Board of Directors

The Audit Committee of the Board of Directors is responsible for the primary oversight of our information security programs, including relating to cybersecurity. The Audit Committee receives regular reports from our President & COO on, among other things, our cyber risks and threats, the status of projects to strengthen our information security systems, assessments of our security program, and our views of the emerging threat landscape. Our President & COO is responsible for reporting to the Committee on our company-wide enterprise risk assessment, and that assessment also includes an evaluation of cyber risks and threats. The Chair of the Audit Committee has the opportunity to report to the Board on cybersecurity risks and other matters reviewed by the Committee. Furthermore, all Board members are provided with updates on key points discussed during each Audit Committee meeting and may access the materials for each Audit Committee meeting.

As a matter of process, the Audit Committee annually reviews, and recommends to the Board its approval of, our information security policy and information security program. Furthermore, on an annual basis, the Board reviews and discusses our technology strategy with our President & COO and approves our technology strategic plan.

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 lawsuits and various other 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 25, 2024, we are not party to any legal proceedings or claims that we believe would or could have, individually or in the aggregate, a material adverse effect on us.

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 25, 2024, we had approximately 99 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

On December 1, 2023, we issued 726,210 shares of our common stock, in partial payment of the purchase price to acquire Hoozu, and its wholly-owned subsidiaries. Additionally on the same date we issued 338,354 performance-based and time-based restricted stock units (“RSUs”) under our Inducement Plan in conjunction with the acquisition of Hoozu and the asset purchase of Zuberance. The shares and RSUs issued in connection with the acquisition, and the shares underlying such RSUs, have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States in reliance upon certain exemptions from registration under said acts and may not be offered or sold absent to registration or pursuant to an exemption therefrom. The foregoing did not involve any underwriters, underwriting discounts or commissions, or any public offering. The sales were exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) as transactions by an issuer not involving any public offering.

Issuer Repurchases of Equity Securities

There were no shares repurchased by the Company during the fourth quarter of the year ended December 31, 2023.

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”) is a leading innovator in the creator economy, specializing in providing advanced software solutions and professional services that connect brands with a broad spectrum of social influencers and content creators. The Company’s mission is to champion the creators, empowering individuals to monetize their creativity, content, and influence. IZEA made a significant mark in the industry by launching the first influencer marketplace, PayPerPost, in 2006, setting a precedent for the evolution of digital marketing platforms. Today, the company caters to a diverse range of clients, including independent creators and Fortune 10 brands, offering services in influencer marketing, customer-generated content, and custom content creation. IZEA operates through managed services and self-service software tools, accommodating the varying needs of its clientele and ensuring mutually beneficial collaborations within its ecosystem.

On IZEA.com the company offers a dynamic environment where creators can showcase their work to marketers, and marketers can directly engage and hire influencers, simplifying the collaboration process. This platform, alongside the innovative use of generative AI tools in FormAI, underscores IZEA's commitment to facilitating content creation and enhancing the efficiency of digital marketing strategies.

IZEA Flex is the company’s flagship enterprise solution for influencer marketing, designed to meet the industry's evolving demands and users’ feedback for more flexibility and customization. IZEA Flex, which has succeeded IZEAx, empowers marketers to conduct influencer collaborations across any platform with enhanced operational organization and data tracking capabilities. The platform boasts a suite of core modules, including Discover, ContentMine, and ShareMonitor, which together provide a comprehensive toolkit for optimizing influencer marketing campaigns. Flex is distinguished by its ability to quantify the ROI of marketing efforts at scale, complemented by the introduction of AI-powered tools that streamline content customization and creative campaign ideation.

On December 1, 2023, IZEA purchased certain assets of Zuberance, further enhancing its suite of software offerings. Zuberance offers specialized advocate marketing tools, enabling brands to cultivate communities of loyal customers and influencers. The addition of Zuberance's advocacy marketing solutions enriches IZEA's suite of services, providing clients with tools to amplify brand affinity, generate influential reviews, and gather valuable customer feedback. With a strategic focus on offering cost-effective, scalable solutions, IZEA continues to set industry standards, ensuring that it remains at the cutting edge of technology and marketing practices while fostering growth in the creator economy.

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 software 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 "Revenue Recognition" 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. 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 supporting 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. They also include marketing expenses such as brand marketing, public relations events, trade shows, 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.

Within G&A, we incorporate 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. When major software components are developed, we capitalize these as 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. When impairments occur on fixed assets, intangible assets, and goodwill, they are included as part of G&A expense presented separately in our consolidated statements of operations and comprehensive loss when deemed 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 and Australian Dollar.

Results of Operations for the Twelve Months Ended December 31, 2023 and 2022

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

	Twelve Months Ended December 31,			
	2023	**2022**	**$ Change**	**% Change**
Revenue	$ 36,214,598	$ 41,095,937	$ (4,881,339)	(12) %
Costs and expenses:				
Cost of revenue	21,621,445	24,737,699	(3,116,254)	(13) %
Sales and marketing	10,547,322	9,523,894	1,023,428	11 %
General and administrative	13,214,978	11,637,044	1,577,934	14 %
Depreciation and amortization	713,135	828,161	(115,026)	(14) %
Total costs and expenses	46,096,880	46,726,798	(629,918)	(1) %
Loss from operations	(9,882,282)	(5,630,861)	(4,251,421)	76 %
Other income (expense):				
Interest expense	(8,226)	(799)	(7,427)	930 %
Other income (expense), net	2,535,044	1,162,162	1,372,882	118 %
Total other income (expense), net	2,526,818	1,161,363	1,365,455	118 %
Net Loss	$ (7,355,464)	$ (4,469,498)	$ (2,885,966)	65 %

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,					
	2023		**2022**		**$ Change**	**% Change**
Managed Services Revenue	$ 35,740,685	99 %	$ 39,456,986	96 %	$ (3,716,301)	(9) %
Marketplace Spend Fees	44,985	1 %	205,809	1 %	(160,824)	(78) %
License Fees	404,625	1 %	1,301,198	3 %	(896,573)	(69) %
Other Fees	24,303	— %	131,944	— %	(107,641)	(82) %
SaaS Services Revenue	473,913	1 %	1,638,951	4 %	(1,165,038)	(71) %
Total Revenue	$ 36,214,598	100 %	$ 41,095,937	100 %	$ (4,881,339)	(12) %

Managed Services revenue during the twelve months ended December 31, 2023, decreased 9% from the same period in 2022, primarily due to revenue from one large customer contract, which comprised 23% and 31% in Managed Services revenue in 2023 and 2022, respectively, equating to 97% of the decrease in annual revenue. All performance obligations related to this contract were completed during the fourth quarter of 2023. Managed Services revenue from new and existing customers for 2023 was relatively flat when compared to the prior year period.

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 71% from the same period in 2022 due to:

- *Marketplace Spend Fees* decreased by approximately $0.2 million for the twelve months ended December 31, 2023, when compared with the same period in 2022, primarily due to our sunsetting the IZEAx platform in June 2023, which included no new customers after January 2023. Marketplace Spend Fees are comparably lower from Flex due to fewer customers after we launched the platform, and as a result of 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 $0.9 million for the twelve months ended December 31, 2023, when compared to the same period of 2022. The decrease in license fees is due to lower licensee counts and lower average revenue per licensee. The decline in both licensee counts and revenues is heavily related to sunsetting our legacy IZEAx and BrandGraph platforms while we transition to Flex, which was launched in January 2023.
- *Other Fees* revenue decreased by approximately $0.1 million for the twelve months ended December 31, 2023, compared to the same period in 2022, due to fewer creators requesting early cash-outs and higher plan fees.

Cost of Revenue

Cost of revenue for the twelve months ended December 31, 2023 decreased by $3.1 million, or approximately 13%, compared to the same period in 2022, primarily due to lower contract deliveries related to our non-recurring customer. Cost of revenue as a percentage of revenue averaged 60% in 2023 and 2022, partly due to fewer comparative cost deliveries for our non-recurring customer.

Sales and Marketing

Sales and marketing expense for the twelve months ended December 31, 2023, increased by $1.0 million, or approximately 11%, compared to the same period in 2022. Advertising and tradeshow expense increased over the prior year, with continued efforts promoting brand awareness and improving customer acquisition, satisfaction, and retention.

General and Administrative

General and administrative expense for the twelve months ended December 31, 2023, increased by $1.6 million, or approximately 14%, compared to the same period in 2022. The increase in general and administrative expense was primarily due to $0.5 million in additional payroll, personnel-related expense, and $0.3 million in stock compensation for general and administrative personnel, $0.4 million higher spend on professional services related to acquisition activities and accounting services, and $0.3 million higher spend on software, licenses, and web hosting services.

Depreciation and Amortization

Depreciation and amortization expense for the twelve months ended December 31, 2023, decreased by $0.1 million, or approximately 14%, compared to the same period in 2022.

Depreciation expense on property and equipment was approximately $0.1 million for the twelve months ended December 31, 2023, and 2022. Depreciation expense decreased slightly due to the disposal of aging equipment in 2023.

Amortization expense was approximately $0.6 million and $0.7 million for the twelve months ended December 31, 2023 and 2022, respectively. Amortization expense related to internal-use software development costs was $0.6 million and $0.7 million for the twelve months ended December 31, 2023 and 2022, respectively. Amortization on our internal software costs will continue due to the development of Flex and Marketplace in 2022. Development on Flex will continue into 2024.

Other Income (Expense)

Interest expense totaled $8.2 thousand during the twelve months ended December 31, 2023, related to laptop computer acquisitions in 2023, compared to $0.8 thousand in the prior year period.

Other income, net totaled $2.5 million in investment portfolio interest income for the twelve months ended December 31, 2023, compared to $1.2 million in the prior year period, reflecting interest earned on portfolio investments that began in May 2022.

Net Loss from Operations

Net loss from operations for the twelve months ended December 31, 2023 was $9.9 million, a $4.3 million increase from the net loss of $5.6 million for the same period in 2022. The increase in net loss was the result of lower revenues and increased operating costs in the current year period.

Other Comprehensive Loss

Comprehensive loss includes unrealized gains on investment securities of $0.5 million for the twelve months ended December 31, 2023 and unrealized losses of $0.8 million for the twelve months ended December 31, 2022. As of December 31, 2023, the life to date balance of unrealized losses is $0.3 million. We plan to hold our investment securities to maturity, and as such, they 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 received 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. During the latter half of 2023, the time between bookings and revenue has improved to an average of 7.5 months. 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 number of orders received in one period, even though revenue from those orders may be reflected over varying amounts of time. We use the Managed Services Bookings metric to plan operational staffing, 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, 2023 and 2022, was $28.1 million and $37.5 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,								
	2023			2022			$ Change		% Change
Managed Services Gross Billings	$	35,740,685	94%	$	39,456,986	90%	$	(3,716,301)	(9)%
Marketplace Spend Fees		1,673,564	4%		3,109,719	7%		(1,436,155)	(46)%
License Fees		404,625	1%		1,301,198	3%		(896,573)	(69)%
Other Fees		24,303	—%		131,944	—%		(107,641)	(82)%
SaaS Services Gross Billings		2,102,492	6%		4,542,861	10%		(2,440,369)	(54)%
Total Gross Billings	$	37,843,177	100%	$	43,999,847	100%	$	(6,156,670)	(14)%

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, 2023, and 2022:

	Twelve Months Ended December 31,	
	2023	**2022**
Net loss	$ (7,349,360)	$ (4,469,498)
Impairment of digital assets	—	148,310
Net increase to fair market value of digital assets	(90,320)	—
Non-cash stock-based compensation	950,769	610,772
Non-cash stock issued for payment of services	300,015	125,000
Interest expense	8,226	799
Depreciation and amortization	713,135	828,161
Other non-cash items	(4,505)	(7,674)
Federal tax benefit	$ (6,104)	$ —
Adjusted EBITDA	$ (5,478,144)	$ (2,764,130)
Revenue	$ 36,214,598	$ 41,095,937
Adjusted EBITDA as a % of Revenue	(15)%	(7)%

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 $85.4 million as of December 31, 2023. 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 $37.4 million as of December 31, 2023, as compared to $24.6 million as of December 31, 2022. This increase of $12.8 million is primarily the result of the maturing of certain investments, $9.6 million of which is classified as long-term investments and $17.1 million classified as short-term investments, partially offset by operating losses.

	Twelve Months Ended December 31,	
	2023	2022
Net cash (used for)/provided by:		
Operating activities	$ (4,832,317)	$ (3,057,112)
Investing activities	18,816,439	(47,698,907)
Financing activities	(1,138,354)	(76,316)
Net increase in cash and cash equivalents	$ 12,845,768	$ (50,832,335)

Net cash used for operating activities was $4.8 million during the twelve months ended December 31, 2023 and is primarily the result of continued use of cash to cover operating losses. Net cash provided by investing activities was $18.8 million during the twelve months ended December 31, 2023, primarily due to the maturity of marketable securities and acquisitions. Net cash used for financing activities during the twelve months ended December 31, 2023, was $1.1 million, which consisted primarily of the $1.0 million repurchase of stock.

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 long-term investments 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, supply-chain issues, labor disruption, business closures, and recently, inflationary pressures have impacted our business operations and results. Additionally, the cautious economic outlook may be affecting marketing budgets as evidenced by the softness in bookings the Company has experienced through the fourth quarter of 2023. We 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 significantly lower gross margins than our core business. Our business with this customer was completed during the fourth quarter of 2023, including contract liabilities and payment of accounts receivable. 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, our core 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. We assess collectability risk both generally and by specific aged invoices. Our loss history informs a general reserve percentage, which we apply to all invoices less than 90 days from the invoice due date, currently 1.1% of the outstanding balance. This general reserve, which we update periodically, recognizes that some invoices will likely become a collection risk. When an invoice ages 90 days past its due date, we consider each invoice to determine a reserve for collectability based on our prior history and recent communications with the customer, to determine a reserve amount. Generally, our reserve will approach 100% of the invoice amount.

We had a reserve of $0.2 million for doubtful accounts as of December 31, 2023. We believe 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 the twelve months ending December 31, 2023 and 2022.

Concentration of credit risk in accounts receivable was 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. One customer accounted for 20% of total accounts receivable on December 31, 2023. One customer accounted for 23% of our revenue during the twelve months ended December 31, 2023. Three customers accounted for 64% of our total accounts receivable on December 31, 2022. One customer accounted for 29% of our revenue during the twelve months ended December 31, 2022.

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 $2.1 million, net of amortization, in the consolidated balance sheet as of December 31, 2023. These costs are reflected as intangible assets in the consolidated balance sheet as of December 31, 2023. 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, TapInfluence, and Hoozu. Goodwill is not amortized, but instead, it is tested for impairment at least annually. Should management determine 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, 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. Prior to the acquisition of Hoozu on December 1, 2023, IZEA had one business operating segment with one reporting unit for purposes of goodwill impairment testing. Hoozu will be treated as a second, separate reporting unit for goodwill impairment testing purposes.

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 2023 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, 2023, no indicators were present that would trigger an interim impairment test, and that as of December 31, 2023, 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 required 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 are 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. 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. Historically, they have been 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. In December 2023, the FASB issued ASU No. 2023-08, *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets* ("ASU 2023-08"). ASU 2023-08 requires fair value measurement of certain crypto assets each reporting period with the changes in fair value reflected in net income. The new guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted. The Company has opted to adopt this guidance early. Expanded disclosures for crypto assets have been added to Note 5 - Intangible Assets. When an identical digital asset is bought and sold at a price different than the entity's current carrying value, this will indicate that the asset's carrying value must be adjusted. We will adjust the carrying value, and the gain or 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. The majority of 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 Company's performance obligation in certain contracts with customers may be a stand-ready promise to provide influencer marketing services for an unknown or unspecified quantity of deliverables for a specified term. Under a stand-ready obligation, the Company's performance obligation is satisfied over time throughout the contract term, and therefore, revenue is recognized straight-line of the life of the contract. 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.

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, 2023, and 2022 were $1.0 million and $0.6 million, respectively.

There were outstanding options to purchase 343,601 shares with a weighted average exercise price of $9.53 per share, of which options to purchase 317,228 shares were exercisable with a weighted average exercise price of $9.61 per share, as of December 31, 2023. The intrinsic value on outstanding options as of December 31, 2023, was $51,992. The intrinsic value on exercisable options as of December 31, 2023, was $51,853.

As of December 31, 2023, we had unvested restricted stock units representing 962,849 shares of common stock with an intrinsic value of $1.9 million and 0 unvested shares of issued restricted stock with an intrinsic value of $0.

As of December 31, 2023, we had unvested performance-based and time-based restricted stock unit awards granted under the Company's 2023 Inducement Plan in conjunction with our acquisitions, representing 338,354 shares of common stock with an intrinsic value of $0.3 million.

Business Combinations and Asset Acquisitions

The Company follows Accounting Standards Codification (ASC) Topic 805, "Business Combinations," to handle business combinations. The acquisition method of accounting is utilized for all business combinations. This method involves recognizing and measuring identifiable assets acquired, liabilities assumed, and any non-controlling interests at their fair values on the acquisition date. Goodwill signifies the surplus of the purchase price over the fair value of net identifiable assets acquired and liabilities assumed. It is assigned to reporting units expected to benefit from the combination's synergies and undergoes annual impairment testing. Acquisition-related costs, such as advisory, legal, and due diligence fees, are expensed as incurred and are included in general and administrative expenses for the period of acquisition. The financial statements incorporate the results of operations and financial position of acquired businesses from their respective acquisition dates. Any adjustments to preliminary fair values of assets acquired and liabilities assumed, referred to as measurement period adjustments, are recorded in the period of adjustment.

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

Index to Consolidated Financial Statements

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 sheets of IZEA Worldwide, Inc. (a Nevada corporation) and subsidiaries (the "Company") as of December 31, 2023 and 2022 and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, 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 audits. 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 audits 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 audits, 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 audits 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 audits 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 audits provide 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.

Goodwill Impairment Analysis

As described further in Note 1 to the financial statements, management evaluates goodwill for impairment on an annual basis, or more frequently if impairment indicators exist, at the reporting unit level. Management estimated the fair values of its reporting units using a combination of the income and market approaches. The determination of the fair value of the reporting units requires management to make significant estimates and assumptions related to forecasts of future revenues and discount rates. We identified the goodwill impairment assessment of the IZEA reporting unit as a critical audit matter.

The principal considerations for our determination that the goodwill impairment assessment of the IZEA reporting unit is a critical audit matter is that changes in the assumptions related to forecasts of future revenues and discount rates could materially affect the determination of the fair value of the reporting unit, the amount of any goodwill impairment charge, or both. Management utilized significant judgment when estimating the fair value of the IZEA reporting unit and auditing management's judgments regarding forecasts of revenue and discount rates involved a high degree of subjectivity due to the estimation uncertainty of management's significant judgments.

Our audit procedures related to the goodwill impairment analysis of the IZEA reporting unit included the following, among others:

- Evaluated management's ability to accurately forecast revenue 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 valuation methodologies and the appropriateness of the discount rate utilized in the valuation model

Business Acquisition – Hoozu Holdings, LTD – Valuation of acquired intangible assets
As described further in Note 2 to the financial statements, the Company acquired Hoozu Holdings, LTD (“Hoozu”), on December 1, 2023, for a total purchase price of approximately $2.5 million. The Company allocated the purchase price, on a preliminary basis, to the assets acquired and liabilities assumed based on their respective fair values, including identified intangible assets of $1.6 million. We identified the valuation of acquired Hoozu intangible assets as a critical audit matter.

The principal considerations for our determination that the valuation of acquired Hoozu intangible assets is a critical audit matter are i) the significant judgment by management when determining assumptions used in the fair value measurement of acquired intangible assets (ii) the high degree of auditor judgment and subjectivity in performing procedures and evaluating management’s significant assumptions relating to the prospective financial information including revenue growth, weighted average cost of capital (WACC), royalty rate, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Our audit procedures related to the valuation of acquired Hoozu intangible assets included the following, among others:

- Evaluated management’s ability to accurately forecast revenue 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 used in the valuation and to perform an analysis to test sensitivity to changes in significant assumptions

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2022.

Charlotte, North Carolina
April 1, 2024

IZEA Worldwide, Inc.
Consolidated Balance Sheets

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 37,446,728	$ 24,600,960
Accounts receivable, net	5,012,373	5,664,727
Prepaid expenses	739,988	3,927,453
Short term investments	17,126,057	16,106,758
Other current assets	26,257	66,441
Total current assets	60,351,403	50,366,339
Property and equipment, net of accumulated depreciation	205,377	156,774
Goodwill	5,280,372	4,016,722
Intangible assets, net	1,749,441	—
Digital assets	162,905	64,953
Software development costs, net	2,056,972	1,774,033
Long term investments	9,618,996	29,296,069
Total assets	$ 79,425,466	$ 85,674,890
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,504,348	$ 1,968,322
Accrued expenses	3,083,460	2,130,702
Contract liabilities	8,891,205	11,247,746
Contingent Liability	114,400	—
Total current liabilities	13,593,413	15,346,770
Finance obligation, less current portion	63,419	62,173
Deferred purchase price, less current portion	60,600	—
Deferred tax liability	394,646	—
Total liabilities	14,112,078	15,408,943
Commitments and Contingencies (Note 9)		
Stockholders' equity:		
Preferred stock; $0.0001 par value; 2,500,000 shares authorized; no shares issued and outstanding	—	—
Common stock; $0.0001 par value; 50,000,000 shares authorized; shares issued: 16,602,155 and 15,603,594, respectively, shares outstanding: 16,236,300 and 15,603,594, respectively.	1,660	1,560
Treasury stock at cost: 365,855 and 0 shares at December 31, 2023 and December 31, 2022, respectively	(1,019,997)	—
Additional paid-in capital	152,027,110	149,148,248
Accumulated deficit	(85,444,794)	(78,103,066)
Accumulated other comprehensive income (loss)	(250,591)	(780,795)
Total stockholders' equity	65,313,388	70,265,947
Total liabilities and stockholders' equity	$ 79,425,466	$ 85,674,890

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Operations

	Twelve Months Ended December 31,	
	2023	2022
Revenue	$ 36,214,598	$ 41,095,937
Costs and expenses:		
Cost of revenue	21,621,445	24,737,699
Sales and marketing	10,547,322	9,523,894
General and administrative	13,214,978	11,637,044
Depreciation and amortization	713,135	828,161
Total costs and expenses	46,096,880	46,726,798
Loss from operations	(9,882,282)	(5,630,861)
Other income (expense):		
Interest expense	(8,226)	(799)
Federal tax benefit	6,104	—
Other income (expense), net	2,535,044	1,162,162
Other income (expense), net	2,532,922	1,161,363
Net loss	$ (7,349,360)	$ (4,469,498)
Weighted average common shares outstanding – basic and diluted	16,368,216	15,549,845
Basic and diluted loss per common share	$ (0.45)	$ (0.29)

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Comprehensive Loss

	Twelve Months Ended December 31,	
	2023	2022
Net loss	$ (7,349,360)	$ (4,469,498)
Other comprehensive income		
Unrealized (gain) loss on securities held	(530,204)	780,795
Total other comprehensive income (loss)	(530,204)	780,795
Total comprehensive income (loss)	$ (6,819,156)	$ (5,250,293)

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Stockholders’ Equity

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders’ Equity
	Shares	Amount					
Balance, December 31, 2021	15,511,332	$ 1,550	$ 148,457,153		$ (73,633,568)	$ —	$ 74,825,135
Stock purchase plan & option exercise issuances	23,879	3	32,540		—	—	32,543
Stock issued for payment of services	26,483	3	124,997		—	—	125,000
Stock issuance costs	—	—	—		—	—	
Stock-based compensation	64,004	6	610,767		—	—	610,773
Shares withheld to cover statutory taxes	(22,104)	(2)	(77,209)		—	—	(77,211)
Other comprehensive income (loss)						(780,795)	(780,795)
Net loss	—	—	—		(4,469,498)	—	(4,469,498)
Balance, December 31, 2022	15,603,594	$ 1,560	$ 149,148,248	$ —	$ (78,103,066)	$ (780,795)	$ 70,265,947
Cumulative Effect Retained Earnings Adjustment (FMV Crypto)	—	—	—	—	7,632	—	7,632
Stock purchase plan & option exercise issuances	10,376	1	17,884		—	—	17,885
Stock issued for payment of services	131,520	13	300,002				300,015
Stock-based compensation	163,085	17	950,752		—	—	950,769
Shares withheld to cover statutory taxes	(56,419)	(6)	(136,236)		—	—	(136,242)
Reverse stock split fractional share adjustment	23,789	2	(2)	—	—	—	—
Issuance of Common Shares - Hoozu Acquisition	726,210	73	1,746,462				1,746,535
Treasury stock				(1,019,997)			(1,019,997)
Other comprehensive income (loss)	—	—	—		—	530,204	530,204
Net loss	—	—	—		(7,349,360)	—	(7,349,360)
Balance, December 31, 2023	16,602,155	$ 1,660	$ 152,027,110	$ (1,019,997)	$ (85,444,794)	$ (250,591)	$ 65,313,388

See accompanying notes to the consolidated financial statements.

IZEA Worldwide, Inc.
Consolidated Statements of Cash Flows

	Twelve Months Ended December 31,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (7,349,360)	$ (4,469,498)
Adjustments to reconcile net loss to net cash used for operating activities:		
Impairment of digital assets	—	148,310
Adjustment to fair market value of digital assets	(90,320)	—
Depreciation	99,408	109,599
Amortization	613,727	718,562
Deferred tax benefit	(6,104)	—
Stock-based compensation	950,769	610,772
Value of stock issued or to be issued for payment of services	300,015	125,000
(Gain)/Loss on disposal of equipment	(4,505)	(7,674)
Bad debt	50,000	—
Changes in operating assets and liabilities:		
Accounts receivable	1,021,690	1,934,376
Prepaid expenses and other current assets	3,243,398	(1,635,990)
Accounts payable	(532,382)	(118,570)
Accrued expenses	244,730	(381,650)
Contract liabilities	(3,373,383)	(90,349)
Net cash used for operating activities	(4,832,317)	(3,057,112)
Cash flows from investing activities:		
Acquisitions, net of cash acquired	640,781	—
Purchase of short term investments	(285,236,952)	(159,046,221)
Proceeds from the sale of short term investments	284,747,857	142,807,176
Purchase of long term investments	—	(41,069,876)
Proceeds from the sale of long term investments	19,677,073	11,125,299
Purchase of property and equipment, net	(131,722)	(79,006)
Proceeds from sale of property and equipment	—	36,716
Capitalization of software development costs	(880,598)	(1,472,995)
Net cash provided by/(used for) investing activities	18,816,439	(47,698,907)
Cash flows from financing activities:		
Proceeds from exercise of stock options & ESPP issuances	17,885	32,543
Payments on notes payable and capital leases	—	(31,648)
Purchase of treasury stock	(1,019,997)	—
Payments on shares withheld for statutory taxes	(136,242)	(77,211)
Net cash used in financing activities	(1,138,354)	(76,316)
Net increase (decrease) in cash and cash equivalents	12,845,768	(50,832,335)
Cash and cash equivalents, beginning of period	24,600,960	75,433,295
Cash and cash equivalents, end of period	$ 37,446,728	$ 24,600,960

Supplemental cash flow information:				
Interest paid	$	8,852	$	—
Contingent consideration	$	175,000	$	—
Non-cash financing and investing activities:				
Equipment acquired with financing arrangement	$	80,843	$	61,224
Fair Value of common stock issued for services	$	300,015	$	125,000
Common stock issued for payment of acquisition	$	1,746,535	$	—

See accompanying 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, "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. IZEA purchased all of the outstanding shares of capital stock of Hoozu Holdings, LTD in December 2023.

The Company helps power the creator economy, by enabling individuals 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 also 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.

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. The CDIC insures deposits made to the Company's bank accounts in Canada up to CAD 100,000. The Australian Financial Claims Scheme insures deposits made to the Company's accounts in Australia up to AUD $250,000. Deposit balances exceeding this limit were approximately $36.7 million and $24.4 million as of December 31, 2023 and 2022, 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 $5.0 million that included $4.9 million of accounts receivable and contract assets of $ 83,697 on December 31, 2023. The Company had net trade receivables of $5.7 million that included $5.7 million of accounts receivable and contract assets of $39,095 at December 31, 2022.

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. We assess collectibility risk both generally and by specific aged invoices. Our loss history informs a general reserve percentage, which we apply to all invoices less than 90 days from the invoice due date, currently 1.1% of the outstanding balance. The general reserve, which we update periodically, recognizes that some invoices will likely become a collection risk. When an invoice ages 90 days past its due date, we consider each invoice to determine a reserve for collectability based on our prior history and recent communications with the customer, to determine a reserve amount. Generally, our reserve will approach 100% of the invoice amount.

The Company had a reserve for doubtful accounts of $ 205,000 as of December 31, 2023, and $ 155,000 as of December 31, 2022. 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 recognized $50,000 of bad debt expense in the twelve months ended December 31, 2023 to increase its reserve for doubtful accounts and did not recognize any bad debt expense for the twelve months ended December 31, 2022.

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. 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 one customer that accounted for 20% of total accounts receivable at December 31, 2023 and three customers that accounted for 64% of total accounts receivable at December 31, 2022. The Company had one customer that accounted for 23% of its revenue during the twelve months ended December 31, 2023 and one customer that accounted for 29% of its revenue during the twelve months ended December 31, 2022.

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

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, TapInfluence, and Hoozu. 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. Prior to the acquisition of Hoozu on December 1, 2023, IZEA had one business operating segment with one reporting unit for purposes of goodwill impairment testing. Hoozu will be treated as a second, separate reporting unit for goodwill impairment testing.

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 5, the assessments performed in 2022 and 2023 concluded that our reporting unit's fair value exceeds their 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, TapInfluence, and Hoozu. The Company amortizes identifiable intangible assets over periods of 12 to 60 months. See Note 5 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 changes in the fair market value. 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. This was recognized in accordance with the then current guidance for intangible assets. The Company did not impair the value of digital assets in the twelve months ended December 31, 2023 as the fair market value stayed above the carrying value.

In December 2023, the FASB issued ASU No. 2023-08, *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets (“ASU 2023-08”)*. ASU 2023-08 requires fair value measurement of certain crypto assets each reporting period with the changes in fair value reflected in net income. The amendments also require disclosures of the name, fair value, units held, and cost bases for each significant crypto asset held and annual reconciliations of crypto asset holdings. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted. The Company has opted to adopt this guidance early.

A cumulative effect adjustment to retained earnings was recognized as of January 1, 2023 for $ 7,632. This adjustment brings the carrying value in line with the fair market value as of December 31, 2022. Adjustments have been recognized for all quarterly reporting periods for 2023 as of December 31, 2203 to restate the carrying value at the end of each period for the Company’s digital assets, as described in Note 5.

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, calculated as the difference between the asset’s fair value 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, 2023 and 2022.

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 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 the initial release of the software or additional features. The Company reviews the software development costs for impairment when circumstances indicate their carrying amounts may not be recoverable. If the carrying value of an asset group is not recoverable, the Company recognizes an impairment loss for the excess carrying value over the fair value in its consolidated statements of operations. See Note 6 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.

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.

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 articles, 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. The majority of 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 Company's performance obligation in certain contracts with customers may be a stand-ready promise to provide influencer marketing services for an unknown or unspecified quantity of deliverables for a specified term. Under a stand-ready obligation, the Company's performance obligation is satisfied over time throughout the contract term, and therefore, revenue is recognized straight-line over the life of the contract. 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.

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, 2023, and 2022 were approximately $2.6 million and $2.0 million, respectively. Advertising costs are included in sales and marketing expense in the accompanying consolidated statements of operations.

Income Taxes

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 the Company utilizes net operating loss carryforwards in future periods. The Company's tax years subject to examination by the Canadian Revenue Agency and the Australian Taxation Office 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, 2023, the Company holds Level 1 and Level 2 financial assets; this is discussed further in Note 3 - 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, (the “2011 Equity Incentive Plan”) (see Note 10) and the Inducement Plan 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 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 (“RSUs”) 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 10 for additional information related to these shares.

On November 30, 2023, the IZEA Board of Directors adopted the IZEA Worldwide, Inc. 2023 Inducement Plan (the “Inducement Plan”) to accommodate equity grants to new employees hired by IZEA in connection with acquisition transactions, including the Hoozu acquisition. Under the Inducement Plan, IZEA may grant, subject to certain requirements, RSUs, including performance-based and time-based RSUs, up to a total of 1,800,000 shares of IZEA common stock to new employees of IZEA or its subsidiaries. See Note 10 for additional information related to shares issued under both plans.

Business Combinations and Asset Acquisitions

The Company accounts for business combinations in accordance with Accounting Standards Codification (ASC) Topic 805, “Business Combinations.” The acquisition method of accounting is applied to all business combinations, whereby the identifiable assets acquired, liabilities assumed, and any non-controlling interests in the acquiree are recognized and measured at their fair values as of the acquisition date. Goodwill represents the excess of the purchase price over the fair value of net identifiable assets acquired and liabilities assumed in a business combination. Goodwill is allocated to reporting units, which are expected to benefit from the synergies of the combination, and is subject to annual impairment testing. Acquisition-related costs, including advisory, legal, and due diligence fees, are expensed as incurred and are included in general and administrative expenses in the period in which the acquisition occurs. The financial statements include the results of operations and financial position of businesses acquired from their respective acquisition dates. Any adjustments to the preliminary fair values of assets acquired and liabilities assumed, known as measurement period adjustments, are recorded to the period of the adjustment.

Recently Issued Accounting Pronouncements

Recently Adopted Accounting Pronouncements

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.

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. Effective January 1, 2023, the Company adopted this standard. At present, the exposure to credit losses is considered immaterial to the Company's financial position.

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. As of December 31, 2023, the Company has ensured that acquired businesses contract assets and contract liabilities have been accounted for in accordance with ASC 2021-08.

Accounting for and Disclosure of Crypto Assets: In December 2023, the FASB issued ASU No. 2023-08, *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets ("ASU 2023-08")*. ASU 2023-08 requires fair value measurement of certain crypto assets each reporting period with the changes in fair value reflected in net income. The amendments also require disclosures of the name, fair value, units held, and cost bases for each significant crypto asset held and annual reconciliations of crypto asset holdings. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted. The Company has opted to early adopt this guidance. A cumulative-effect adjustment to retained earnings was booked as of January 1, 2023 for $7,632. Interim periods and annual periods for 2022 and 2023 have been presented with the change reflected in fair market value. Expanded disclosures for crypto assets have been added to Note 5 - Intangible Assets.

Recently Issued Accounting Pronouncements Not Yet Adopted

Segment Reporting: Improvements to Reportable Segment Disclosures: In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improving Reportable Segment Disclosures*. This update is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU also requires all annual disclosures currently required by Topic 280 to be included in the interim periods. The update is effective for fiscal years beginning after December 15, 2023, and interim periods within the fiscal years beginning after December 15, 2024, with early adoption permitted and requires retrospective application to all prior periods presented in the financial statements. The Company is currently assessing the timing and impact of adopting the updated provisions.

Income Taxes: Improvements to Income Tax Disclosures: In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires additional disclosures of income tax components that affect the rate reconciliation and income taxes paid, broken out by the applicable taxing jurisdictions. The Company expects to adopt this ASU for the annual period beginning on January 1, 2025, and does not expect a material impact on the Consolidated Financial Statements.

NOTE 2. BUSINESS ACQUISITIONS

Hoozu Holdings, LTD.

On December 1, 2023, the Company completed the announced acquisition of Hoozu Holdings, LTD. ("Hoozu") from Hoozu investors. Hoozu is a leading Australian influencer marketing company headquartered in Sydney. The company serves a roster of the region's most innovative brands, including Bunnings, Emma Sleep, Super Cheap Auto, and Ryobi. In addition to its core services, Hoozu's talent management division, called Huume, represents creators in the Australian market. The net purchase price was approximately $2.5 million, including cash consideration of $0.6 million and 726,210 shares of common stock, valued at approximately $ 1.7 million at the acquisition date, based on the closing market share price on the acquisition date. Approximately $150,000 of transaction-related costs are separately recorded in general and administrative costs in the accompanying consolidated statement of operations for the year ended December 31, 2023. The Company accounted for the acquisition in accordance with ASC 805,which requires the assets acquired and liabilities assumed to be recognized on the balance sheet at their fair values as of the acquisition date.

	Estimated Gross Purchase Consideration 12/1/2023	Estimated Initial Present and Fair Value 12/1/2023	Estimated Remaining Present and Fair Value 12/31/2023
Cash paid at closing	$ 595,411	$ 595,411	—
Stock issued at closing	1,746,535	1,746,535	—
First deferred purchase price installment [1]	114,400	—	114,400
Second deferred purchase price installment [1]	60,600	—	60,600
Total estimated consideration	$ 2,516,946	$ 2,341,946	$ 175,000

[1] The Company's acquisition of Hoozu Holdings LTD. on December 1, 2023, included four equal contingent cash consideration payments totaling $396,940, with measurement periods ending December 31, 2024, and 2025. The contingent payments are based on meeting minimum Revenue and Adjusted Earnings before Taxes and Depreciation for each measurement period. The contingent payments are hit-or-miss, with the first measurement period payments carrying a make-up provision during the second measurement period. The Company determined the fair value of these contingent payments, using Monte Carlo simulation methods, to be $175,000, subject to periodic adjustment until both measurement periods are completed.

The table below presents the provisional fair values at December 1, 2023 allocated to the assets acquired and liabilities assumed. The purchase accounting and purchase price allocation for Hoozu are substantially complete. However, the Company continues refining the preliminary valuation of certain acquired assets and liabilities, including income tax-related amounts, which could impact the residual goodwill recorded. The Company will finalize the amounts recognized as it obtains the information necessary to complete the analysis, but no later than one year from the date of the acquisition. Final determination of the fair values may result in further adjustments to the values presented in the following table:

	Estimated Approximate Fair Value
Accounts receivable	$ 419,336
Prepaid expenses	15,750
Property and equipment, net	9,033
Intangible assets	
Tradename	668,000
Customer list	935,000
Goodwill	1,265,155
Deferred tax liability	(400,750)
Accounts payable	(718,515)
Current liabilities	(930,655)
Purchase consideration, excluding cash received	$ 1,262,354
Plus: cash received	1,254,592
Total purchase considerations	$ 2,516,946

Accounts receivable shown in the table above represent their gross amount, which approximates the fair value, and are expected to be collected in full. The significant fair value estimates included in the provisional allocation of purchase price are discussed below.

Other Intangible Assets

Other intangible assets with definite lives include acquired customer relationships of $ 0.9 million and tradename of $ 0.7 million. The preliminary customer-related intangible assets' fair value was determined by using the income approach, while the tradename fair value was determined utilizing the relief from the royalty method. Acquired customer relationships and tradename generally have useful lives of 10 years, unless shorter periods are warranted, and are amortized to operating costs on an accelerated basis.

Goodwill

The excess of consideration for Hoozu over the preliminary net fair value of assets acquired and liabilities assumed resulted in the provisional recognition of $1.3 million of goodwill, which is not deductible for tax purposes. Goodwill is primarily attributable to the assembled workforce and synergies.

Contingent Liability

Contingent liability purchase price installments, which total $ 396,940 based on meeting certain revenue and EBITDA milestones for 2024 and 2025, were recorded at their fair value of $175,000 at the acquisition date. The contingent liability value is subject to periodic adjustment until both measurement dates are completed. No adjustment was recorded in December 2023.

Proforma Financial Results

The table below presents proforma results as if we had acquired Hoozu Holdings at January 1, 2023. Prior to our acquisition, Hoozu employed a June 30 fiscal year-end, which it changed to a calendar year basis following the acquisition. Hoozu's Net Income (Loss) is presented on a pro forma basis, net of transaction-related costs.

	Twelve Months Ended December 31, 2023		
(Unaudited)	**IZEA Worldwide, Inc.**	**Hoozu Holdings, LTD**	**Consolidated**
Revenue	$ 35,842,114	$ 3,928,476	$ 39,770,590
Net income (loss)	(7,312,066)	17,875	(7,294,191)

Revenues and Net loss included in the Consolidated Statement of Operations for 2023 for Hoozu following our December 1, 2023 acquisition totaled $372,483 and $14,484, respectively.

Zuberance

On December 1, 2023, the Company entered into an Asset Purchase Agreement (the "Agreement") with Zuberance, Inc., a Delaware corporation. Zuberance, Inc. ("Zuberance") is a pioneering advocate marketing software platform. Zuberance provides marketers with the tools to build white-label communities of their customers and influencers while engaging these communities to serve as advocates for their brand, leading to low-cost content creation. The net purchase price was $18,400 in cash consideration, allocated to the fair value of assets acquired and liabilities assumed, as shown in the following table:

	Estimated Fair Value 12/31/2023
Intangibles-customer relationships	$ 162,725
Current liabilities	(58,138)
Deferred revenue	(86,187)
Total purchase price	$ 18,400

The customer-related intangible assets' fair value was determined by using the income approach, has an estimated useful life of 5 years, and will be amortized to operating expenses on an accelerated basis.

NOTE 3. 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, 2023:

	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	$ 7,011,827	$ —	$ —	$ 7,011,827	$ 7,011,827	$ —	$ —
Level 1 [3]							
Commercial paper	—			—	—	—	—
Money market funds	30,434,901	—	—	30,434,901	30,434,901	—	—
US Treasury securities	7,019,553		(79,840)	6,939,713	—	5,959,834	979,879
Subtotal	37,454,454	—	(79,840)	37,374,614	30,434,901	5,959,834	979,879
Level 2 [4]							
Asset back securities	3,654,729	—	(46,320)	3,608,409	—	1,490,015	2,118,394
Corporate debt securities	16,321,362	12,143	(136,574)	16,196,931	—	9,676,208	6,520,723
Subtotal	19,976,091	12,143	(182,894)	19,805,340	—	11,166,223	8,639,117
Total	$ 64,442,372	$ 12,143	$ (262,734)	$ 64,191,781	$ 37,446,728	$ 17,126,057	$ 9,618,996

[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 of $104 for the twelve months ended December 31, 2023. The Company realized gains of $3,124 and realized losses of $623 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, 2023
Due in 1 year or less	$ 17,126,057
Due in 1 year through 5 years	9,618,996
Total	$ 26,745,053

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

	As of December 31, 2023	
	Fair Value	Net Unrealized Gain (Loss)
Cash and cash equivalents	$ 37,446,728	$ —
Government bonds	6,939,713	(79,840)
Corporate debt securities	16,196,931	(124,431)
Asset backed securities	3,608,409	(46,320)
Total	$ 64,191,781	$ (250,591)

During the twelve months ended December 31, 2023, the Company did not recognize any credit losses and had no ending allowance balance for credit losses.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2023	December 31, 2022
Furniture and fixtures	$ 29,848	$ —
Office equipment	8,506	3,843
Computer equipment	281,950	323,700
Total	320,304	327,543
Less accumulated depreciation	(114,927)	(170,769)
Property and equipment, net	$ 205,377	$ 156,774

Depreciation expense on property and equipment recorded in depreciation and amortization expense in the consolidated statements of operations and comprehensive loss was $99,408 and $109,599 for the twelve months ended December 31, 2023 and 2022, respectively.

NOTE 5. INTANGIBLE ASSETS

Definite Lived Intangible Assets

Definite lived intangible assets, net of amortization as of December 31, 2023 and 2022 totaled $ 1.8 million and $—, respectively.

	December 31, 2023			December 31, 2022			
	Balance	Accumulated Amortization	Net Book Value	Balance	Accumulated Amortization	Net Book Value	Useful Life in years
Trade names	$ 668,000	$ 5,567	$ 662,433	—	—	$ —	10
Customer lists							
Hoozu	935,000	7,791	927,209	—	—	—	10
Zuberance	162,508	2,709	159,799	—	—	—	5
Total definite-lived intangible assets	$ 1,765,508	$ 16,067	$ 1,749,441	$ —	$ —	$ —	

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

	December 31, 2023	December 31, 2022
Hoozu intangible assets	$ 1,603,000	$ —
Zuberance intangible assets	162,508	—
Total	$ 1,765,508	$ —
Less accumulated amortization	(16,067)	—
Intangible assets, net	$ 1,749,441	$ —

As of December 31, 2023, future estimated amortization expense related to identifiable assets is set forth in the following schedule:

Future Amortization of Intangible Assets	Amount
2024	297,622
2025	248,907
2026	224,751
2027	200,596
2028	176,440
2029+	601,125
Total	$ 1,749,441

There were no impairment charges associated with the Company's identifiable intangible assets, other than digital assets, in the twelve months ended December 31, 2023, and 2022.

Amortization expense recorded in depreciation and amortization in the accompanying consolidated statements of operations and comprehensive loss was $16,067 and $0 for the twelve months ended December 31, 2023 and 2022, respectively.

Digital Assets

During the twelve months ended December 31, 2023 and 2022, the Company did not transact in digital assets. The Company impaired the value of its digital assets by $148,310 during the twelve months ended December 31, 2022 as the fair market value decreased from the carrying value. This was recognized in accordance with the then current guidance for intangible assets. The Company did not impair the value of its digital assets in the twelve months ended December 31, 2023 as the fair market value stayed above its carrying value.

In December 2023, the FASB issued ASU No. 2023-08, *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets ("ASU 2023-08")*. ASU 2023-08 requires fair value measurement of certain crypto assets each reporting period with the changes in fair value reflected in net income. The amendments also require disclosures of the name, fair value, units held, and cost bases for each significant crypto asset held and annual reconciliations of crypto asset holdings. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted. The Company has opted to early adopt this guidance.

A cumulative-effect adjustment to retained earnings was recognized as of January 1, 2023 for $ 7,632. This adjustment brings the carrying value in line with the fair market value as of December 31, 2022. Adjustments have been recognized for Q1, Q2, and Q3 for 2023 to adjust the carrying value at the end of each period for the Company's digital assets to fair value. Interim periods for 2022 and 2023 have been presented in the following table with the change reflected in fair market value.

	Bitcoin			Ethereum			Total Digital Assets		
Reporting Period	As Reported	Gain	Fair Market Value	As Reported	Gain	Fair Market Value	As Reported	Gain	Fair Market Value
March 31, 2023	$ 36,129	$ 29,043	$ 65,172	$ 28,824	$ 24,030	$ 52,854	$ 64,953	$ 53,073	$ 118,026
June 30, 2023	36,129	33,617	69,746	28,824	27,255	56,079	64,953	60,872	125,825
September 30, 2023	36,129	25,586	61,715	28,824	19,654	48,478	64,953	45,240	110,193
December 31, 2023	$ 36,129	$ 60,593	$ 96,722	$ 28,824	$ 37,359	$ 66,183	$ 64,953	$ 97,952	$ 162,905

As of December 31, 2023, the Company held $96,722 of Bitcoin $66,183 of Ethereum with total holdings in digital assets of $162,905. The Company purchased 2.29 Bitcoin and 29.01 Ethereum on December 31, 2021 for $108,835 and $108,290, respectively.

The Company determines the fair value of its digital assets on a recurring basis in accordance with ASU 2023-8, *Accounting for and Disclosure of Crypto Assets*, 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 monthly to identify whether the fair market value of the digital assets has changed. If the then-current carrying value of a digital asset is different from the fair value so determined, an adjustment in the amount equal to the difference between their carrying value and the price determined is recognized.

Gains and 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 change to fair market value is identified. 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.

Goodwill

The Company's goodwill balance changed as follows:

		Amount
Balance on December 31, 2021	$	4,016,722
Acquisitions, impairments, or other changes during 2022		—
Balance on December 31, 2022	$	4,016,722
Acquisitions, impairments, or other changes during 2023		1,265,155
Currency translation adjustment		(1,505)
Balance on December 31, 2023	$	5,280,372

The Company completed its acquisition of Hoozu on December 1, 2023. While Hoozu's business is reported together with our Managed Services business, it will be treated as a separate component for Goodwill impairment testing.

The Company performs an annual impairment assessment of goodwill in October 1 each year or more frequently, if certain indicators are present. A qualitative assessment performed in 2022 and 2023 did not indicate that an impairment existed; therefore, no impairment of goodwill has been recorded during these periods.

NOTE 6. SOFTWARE DEVELOPMENT COSTS

Software development costs consists of the following:

		December 31, 2023		December 31, 2022
Software development costs	$	5,390,403	$	4,509,805
Less accumulated amortization		(3,333,431)		(2,735,772)
Software development costs, net	$	2,056,972	$	1,774,033

In 2022, the Company began developing two new web-based influencer marketing platforms, Flex and Marketplace to replace IZEAx and Shake, respectively. IZEAx was sunset in mid-2023, and Shake was sunset in Q4 of 2022. The Company capitalized software development costs of $0.9 million and $1.5 million during the twelve months ended December 31, 2023, and 2022, respectively. As a result, the Company has capitalized a total of $ 5.4 million in direct materials, consulting, payroll, and benefit costs to its internal-use software development costs in the consolidated balance sheet as of December 31, 2023.

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 $0.6 million and $0.7 million during the twelve months ended December 31, 2023, and 2022, respectively.

As of December 31, 2023, future estimated amortization expense related to software development costs is set forth in the following schedule:

		Software Development Amortization Expense
2024	$	494,420
2025		479,224
2026		473,475
2027		439,440
2028		170,413
Total	$	2,056,972

NOTE 7. ACCRUED EXPENSES

Accrued expenses consist of the following:

	December 31, 2023	December 31, 2022
Accrued payroll liabilities	$ 2,153,617	$ 1,967,677
Accrued taxes	253,677	39,405
Current portion of finance obligation	59,386	42,858
Accrued other	616,780	80,762
Total accrued expenses	$ 3,083,460	$ 2,130,702

NOTE 8. NOTES PAYABLE

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 $122,805 and $105,031 as of December 31, 2023, and 2022, respectively, with the short-term portion of $ 59,386 and $42,858 recorded under accrued expenses in the consolidated balance sheets as of December 31, 2023, and 2022, respectively.

Summary

Interest expense on financing arrangements recorded in the Company's consolidated statements of operations was $ 6,610 and $799 during the twelve months ended December 31, 2023, and 2022, respectively. As of December 31, 2023, the future contractual maturities of the Company's long-term payment obligations by year is set forth in the following schedule:

2024	$ 59,386
2025	56,683
2026	6,736
Total	$ 122,805

NOTE 9. COMMITMENTS AND CONTINGENCIES

Deferred Purchase Price

The Company's acquisition of Hoozu on December 1, 2023, included four equal contingent cash consideration payments totaling $396,940, with measurement periods ending December 31, 2024 and 2025. The contingent payments are based on meeting minimum Revenue and Adjusted Earnings before Taxes and Depreciation for each measurement period. The contingent payments are hit-or-miss, with the first measurement period payments carrying a make-up provision during the second measurement period. The Company determined the fair value of these contingent payments to be $175,000, subject to quarterly adjustment until both measurement periods are completed.

Lease Commitments

The Company does not have any operating or finance leases greater than 12 months in duration as of December 31, 2023.

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, 2023 and 2022 was recorded in the Company's consolidated statements of operations as follows:

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Cost of revenue	$ 77,185	$ 89,418
Sales and marketing	75,145	122,800
General and administrative	144,277	59,294
Total contribution expense	$ 296,607	$ 271,512

Litigation

From time to time, the Company may become involved in lawsuits and various other 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 party to any legal proceedings or claims that it believes would or could have, individually or in the aggregate, a material adverse effect on the Company.

NOTE 10. STOCKHOLDERS' EQUITY

Authorized Shares

The Company has 50,000,000 authorized shares of common stock and 2,500,000 authorized shares of preferred stock, each with a par value of $0.0001 per share.

Share Repurchase

On March 30, 2023, the Company announced that its Board of Directors had authorized a $ 1.0 million share repurchase program of the Company's common stock.

As of September 30, 2023, the Company had purchased 365,855 shares of the Company's common stock on the open market with an average price per share of $1.23, for a total of $ 1.0 million. Shares purchased before June 16, 2023, have been adjusted for the reverse stock split. Repurchased shares have the status of treasury shares and may be issued, if and when needed, for general corporate purposes. The repurchase program was completed in August 2023.

Reverse Stock Split

In June 2023, the number of authorized shares and shares of common stock held by each stockholder of the Company were consolidated automatically into the number of shares of common stock equal to the number of issued and outstanding shares of common stock held by each such stockholder immediately prior to the reverse split divided by four (4): effecting a four (4) old for one (1) new reverse stock split. Any fractional shares resulting from the reverse stock split were rounded up to the nearest whole share, resulting in 23,789 additional shares being issued. No shares of preferred stock were outstanding at the time of the reverse stock split.

Additionally, all options and unvested restricted share grants of the Company outstanding immediately prior to the reverse split were adjusted by dividing the number of shares of common stock into which the options are exercisable by four (4) and multiplying the exercise price by four (4), in accordance with the terms of the plans and agreements governing such options and subject to rounding up to the nearest whole share.

All shares of common stock, stock options, restricted stock, and restricted stock unit grants, and their corresponding price per share amounts have been presented to reflect the reverse split in all periods presented within this Annual Report on Form 10-K.

Equity Incentive Plans

The Company's stockholders approved an amendment and restatement of the 2011 Equity Incentive Plan at the Company's 2023 Annual Meeting of Stockholders held on October 17, 2023, to increase the number of plan shares by 1,800,000 shares, from 1,875,000 to 3,675,000 shares. As of December 31, 2023, the Company had 1,595,867 remaining shares of common stock available for issuance pursuant to future grants under the 2011 Equity Incentive Plan.

Restricted Stock

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

In 2022, the Company issued its five independent directors a total of 26,484 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.

In 2023, the Company issued its five independent directors a total of 131,520 shares of restricted common stock initially valued at $ 300,015 for their annual service as directors of the Company. The stock was granted quarterly and vested immediately.

The following table contains summarized information about restricted stock issued during the years ended December 31, 2022 and December 31, 2023:

Restricted Stock	**Common Shares**	**Weighted Average Grant Date Fair Value**	**Weighted Average Remaining Years to Vest**
Nonvested at December 31, 2021	888	$ 7.31	0.7
Granted	26,484	4.72	
Vested	(27,300)	4.80	
Nonvested at December 31, 2022	72	$ 5.36	0.3
Granted	131,520	2.28	
Vested	(131,592)	2.28	
Nonvested at December 31, 2023	—	$ —	0.0

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 $ 300,015 and $125,000 during twelve months ended December 31, 2023, and 2022, respectively. Expense recognized on restricted stock issued to employees was $376 and $6,120 during the twelve months ended December 31, 2023, and 2022, respectively.

On December 31, 2023, the fair value of the Company's common stock was approximately $ 2.01 per share and the intrinsic value on the non-vested restricted stock was $0. Future compensation expense related to issued, but non-vested, restricted stock awards as of December 31, 2023, is $ 0.

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, 2023, the Company issued a total of 491,482 restricted stock units initially valued at $1,218,922 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, 2023, the Company issued a total of 378,709 restricted stock units initially valued at $851,475 to executives as additional incentive compensation. The restricted stock units vest between 12 and 48 months from issuance.

The following table contains summarized information about restricted stock units during the years ended December 31, 2022 and December 31, 2023:

Restricted Stock Units	**Common Shares**		**Weighted Average Grant Date Fair Value**	**Weighted Average Remaining Years to Vest**
Nonvested at December 31, 2021	93,994	$	3.83	1.2
Granted	344,108		3.87	
Vested	(63,269)		3.52	
Forfeited	(45,763)		4.87	
Nonvested at December 31, 2022	329,070	$	3.79	2.5
Granted	870,191		2.38	
Vested	(163,085)		3.55	
Forfeited	(73,327)		3.18	
Nonvested at December 31, 2023	962,849	$	2.60	2.5

Expense recognized on restricted stock units issued to employees was $ 716,213 and $328,002 during the twelve months ended December 31, 2023, and 2022, respectively. On December 31, 2023, the fair value of the Company's common stock was approximately $2.01 per share and the intrinsic value on the non-vested restricted units was $1,935,326. Future compensation related to the non-vested restricted stock units as of December 31, 2023, is $2,214,306 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 Plan.

A summary of option activity under the 2011 Equity Incentive Plan during the years ended December 31, 2022, and December 31, 2023, is presented below:

Options Outstanding	**Common Shares**		**Weighted Average Exercise Price**	**Weighted Average Remaining Life (Years)**
Outstanding at December 31, 2021	448,204	$	11.13	6.4
Granted	32		4.60	
Exercised	(17,772)		1.01	
Expired	(9,349)		21.49	
Forfeited	(5,553)		13.12	
Outstanding at December 31, 2022	415,562	$	11.31	5.3
Granted	—		—	
Exercised	(586)		0.96	
Expired	(71,013)		19.99	
Forfeited	(362)		7.75	
Outstanding at December 31, 2023	343,601	$	9.53	5.22
Exercisable at December 31, 2023	317,228	$	9.61	5.0

During the twelve months ended December 31, 2023, 586 options were exercised for gross proceeds of $ 563. The intrinsic value of the exercised options was $838. During the twelve months ended December 31, 2022, 17,772 options were exercised for gross proceeds of $ 18,027. The intrinsic value of the exercised options was $48,860. The fair value of the Company's common stock on December 31, 2023, was approximately $ 2.01 per share, and the intrinsic value on outstanding options as of December 31, 2023, was $51,992. The intrinsic value of the exercisable options as of December 31, 2023, was $51,853

A summary of the nonvested stock option activity under the 2011 Equity Incentive Plan during the years ended December 31, 2022, and December 31, 2023, is presented below:

Nonvested Options	**Common Shares**		**Weighted Average Grant Date Fair Value**	**Weighted Average Remaining Years to Vest**
Nonvested at December 31, 2021	163,951	$	4.88	2.3
Granted	32		4.60	
Vested	(76,699)		11.36	
Forfeited	(14,810)		18.36	
Nonvested at December 31, 2022	72,474	$	5.80	1.7
Granted	—		—	
Vested	(31,474)		9.53	
Forfeited	(14,627)		19.99	
Nonvested at December 31, 2023	26,373	$	8.83	1.11

There were outstanding options to purchase 343,601 shares with a weighted average exercise price of $9.53 per share, of which options to purchase 317,228 shares were exercisable with a weighted average exercise price of $ 9.61 per share as of December 31, 2023.

Expense recognized on stock options issued to employees during the twelve months ended December 31, 2023, and 2022 was $ 225,464 and $267,672, respectively. Future compensation related to non-vested awards as of December 31, 2023, is $ 183,415, and it is estimated to be recognized over the weighted-average vesting period of approximately 1.11 years.

The following table shows the number of stock options granted under the 2011 Equity Incentive Plan 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, no stock options were granted in 2023:

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, 2022	32	$	4.60	5.0 years	—%	3.33%	—	$	4.60	37.00%

Inducement Plan

On November 30, 2023, the IZEA Board of Directors adopted the IZEA Worldwide, Inc. 2023 Inducement Plan (the "Inducement Plan") to accommodate equity grants to new employees hired by IZEA in connection with acquisition transactions, including the Hoozu acquisition. Under the Inducement Plan, IZEA may grant restricted stock units ("RSUs"), including performance-based and time-based RSUs, with respect to up to a total of 1,800,000 shares of IZEA common stock to new employees of IZEA or its subsidiaries. Pursuant to Rule 5635(c)(4) of the NASDAQ Listing Rules, the Inducement Plan was adopted without stockholder approval. In accordance with Rule 5635(c)(4) of the NASDAQ Listing Rules, awards under the Inducement Plan can only be made to individuals not previously employees or non-employee directors of IZEA (or following such individuals' bona fide period of non-employment with IZEA), as an inducement material to the individuals' entry into employment with IZEA or in connection with a merger or acquisition, to the extent permitted by Rule 5635(c)(3) of the NASDAQ Listing Rules.

On December 1, 2023, the IZEA Board approved the grant of inducement awards under the Inducement Plan to five employees of Hoozu consisting of an aggregate of 328,354 performance-based RSUs as inducement awards material to such employees' entering into employment with IZEA, pursuant to Rule 5635(c)(4) of the NASDAQ Listing Rules. The RSU grants, which vest in annual increments over a three-year performance period based upon the achievement of certain revenue and profitability metrics, represent the maximum number of shares that can be earned under the awards. Vesting is also subject to the receipt's continued service through each annual vesting date. Unearned RSUs will be forfeited if the minimum revenue in each period is not achieved. Each award is subject to the terms and conditions of the Inducement Plan and the terms and conditions of the applicable RSU award agreement covering the grant.

Separately, on December 1, 2023, the IZEA Board approved the grant of an inducement award under the Inducement Plan in connection with the asset purchase of another company consisting of 10,000 time-based RSUs as an inducement award material to such employee's entering into employment with IZEA.

As of December 31, 2023, an aggregate of 338,354 performance-based and time-based restricted stock unit awards have been granted in conjunction with our acquisitions, none of which have vested.

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 125,000 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, 2028, unless otherwise terminated by the Board.

During the twelve months ended December 31, 2023 and 2022, employees paid $ 17,322 to purchase 9,790 shares of common stock and $14,516 to purchase 24,428 shares of common stock, respectively. The stock compensation expense on ESPP Options was $ 8,716 and $8,978 for the twelve months ended December 31, 2023 and 2022, respectively. As of December 31, 2023, the Company had 80,978 remaining shares of common stock available for future issuances under the ESPP.

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, 2023, and 2022 was recorded in the Company's consolidated statements of operations as follows:

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Cost of revenue	$ 89,457	$ 40,895
Sales and marketing	145,744	64,010
General and administrative	715,568	505,867
Total stock-based compensation	$ 950,769	$ 610,772

NOTE 11. 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, 2023	December 31, 2022
Net loss	$ (7,349,360)	$ (4,469,498)
Weighted average shares outstanding - basic and diluted	16,368,216	15,549,845
Basic and diluted loss per common share	$ (0.45)	$ (0.29)

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, 2023	December 31, 2022
Stock options	309,297	434,104
Restricted stock units	571,504	203,272
Restricted stock	12	12,478
Total excluded shares	880,813	649,854

NOTE 12. 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:

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Managed Services Revenue	$ 35,740,685	$ 39,456,986
Marketplace Spend Fees	44,985	205,809
License Fees	404,625	1,301,198
Other Fees	24,303	131,944
SaaS Services Revenue	473,913	1,638,951
Total Revenue	$ 36,214,598	$ 41,095,937

Managed Services revenue is comprised of two types of revenue, Sponsored Social and Content. Sponsored Social revenue, which totaled $33.4 million for the twelve months ended December 31, 2023, is recognized over time. Content revenue, which totaled $ 2.3 million during the twelve months ended December 31, 2023, is recognized at a point in time.

The following table provides the Company's revenues as determined by customer geographic region:

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Revenue from North America	$ 33,427,045	$ 39,826,503
Revenue from APAC	2,475,293	628,671
Revenue from Other	312,260	640,763
Total	$ 36,214,598	$ 41,095,937

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, 2023	December 31, 2022
Accounts receivable, net	$ 5,012,373	$ 5,664,727
Contract liabilities (unearned revenue)	8,891,205	11,247,746

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, 2022 was $11.2 million. Of that balance, $9.7 million was recognized as revenue during 2023. 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 contract liability balance as of December 31, 2023 was $8.9 million. The Company expects to recognize the associated revenue in 2024. The accounts receivable balance as of December 31, 2022 was $5.7 million. $0.1 million of the outstanding receivables balance from the prior year is still outstanding as of December 31, 2023. The carryforward receivables balance is fully reserved as of December 31, 2023.

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, 2023, and December 31, 2022, are equal to the contract liabilities disclosed above. The Company expects to recognize the full balance of the unearned revenue on December 31, 2023, within the next year.

NOTE 13. INCOME TAXES

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

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Net operating loss carry forwards	$ 26,467,531	$ 24,821,633
Accrued expenses	196,209	368,384
Stock option and warrant expenses	371,921	618,478
Accounts receivable	49,140	38,454
Other	46,214	179,747
Total deferred tax assets	27,131,015	26,026,696
Valuation allowance	(27,105,825)	(25,919,144)
Net deferred tax assets	25,190	107,552
Deferred tax liabilities:		
Fixed and tangible assets	(10,706)	(107,552)
Intangible assets	(409,130)	—
Total deferred tax liabilities	(419,836)	(107,552)
Total deferred tax assets (liabilities)	$ (394,646)	$ —

The Company continually evaluates the likelihood of the realization of deferred tax assets and adjusts the carrying amount of the deferred tax assets by the valuation allowance to the extent the future realization of the deferred tax assets is more likely than not. The Company considers many factors when assessing the likelihood of future realization of its deferred tax assets, including its recent cumulative earnings experience by taxing jurisdiction, expectation of future taxable income or loss, the carryforward periods available to the Company for tax reporting purposes, and other relevant factors.

As of December 31, 2023, based on the Company's history of earnings and its assessment of future earnings, management believes that it is not likely that future taxable income will be sufficient to realize the deferred tax assets. Therefore, a valuation allowance has been applied against the deferred tax assets. The change in the valuation allowance for the twelve months ended December 31, 2023, 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, 2022, was an increase of $1.2 million, resulting primarily from net operating losses generated during the period. The Company has deemed any foreign earnings will be indefinitely reinvested.

Income tax benefit for the year ended December 31, 2023 and 2022 is as follows:

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Current Expense (Benefit)		
Federal	$ —	$ —
State	—	—
Foreign	—	—
Total	$ —	$ —
Deferred Expense (Benefit)		
Federal	$ —	$ —
State	—	—
Foreign	(6,104)	—
Total	$ (6,104)	$ —

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

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Federal income tax at statutory rates	(21.0) %	(21.0) %
Change in deferred tax asset valuation allowance	17.8 %	23.2 %
Deferred state taxes	(3.0) %	(3.3) %
Provision to return	(0.7) %	0.9 %
Stock compensation	5.7 %	(0.9) %
Non-deductible expenses:		
Parking, meals & entertainment	0.1 %	— %
ISO & Restricted stock compensation	0.2 %	0.9 %
Change in state deferred rate	0.5 %	1.1 %
Other	0.5 %	(0.9) %
Income taxes at effective rates	0.1 %	— %

The Company has incurred net losses for tax purposes every year since its inception. As of December 31, 2023, the Company had approximately $99.6 million in net operating loss carryforwards for U.S. federal income tax purposes, $ 100.7 million in net operating loss carryforwards for state income tax purposes, and $1.5 million in net operating loss carryforwards for foreign tax purposes. Federal net operating loss carryforwards in the amount of $72.4 million have a finite carryforward period and will begin expiring in 2026. Approximately $ 27.2 million of federal net operating loss carryforwards have an indefinite life. Federal net operating loss carryforwards generated after tax year 2017 are subject to an 80% limitation on taxable income, do not expire, and will carryforward indefinitely. State net operating loss carryforwards begin expiring in 2026. Foreign net operating losses begin expiring in 2038.

The utilization of the Company's net operating losses are subject to a U.S. federal limitation due to the "change in ownership provisions" under Section 382 of the Internal Revenue Code and other similar limitations in various state jurisdictions. Such limitations may result in a reduction of the amount of net operating loss carryforwards in future years and possibly the expiration of certain net operating loss carryforwards before their utilization.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examinations by federal, foreign, and state and local jurisdictions, where applicable. There are currently no pending tax examinations. The Company's tax years are still open under statute from 2020 to the present in the U.S. and from 2020 to present in the Company's foreign operations. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service and state and local tax authorities to the extent utilized in a future period.

As required by the uncertain tax position guidance in ASC No. 740, Income Tax the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied the uncertain tax position guidance in ASC No. 740, Accounting for Income to all tax positions for which the statute of limitations remained open. Any estimates of tax contingencies contain assumptions and judgments about potential actions by taxing jurisdictions. Any interest and penalties related to uncertain tax positions would be included as part of the income tax provision. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analysis of or changes in tax laws, regulations and interpretations thereof as well as other factors.

NOTE 14. SUBSEQUENT EVENTS

The Company has completed an evaluation of all subsequent events through April 1, 2024 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, 2023, 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, 2023. 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, 2023. 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). Based on our assessments, management concluded that our internal control over financial reporting was effective as of December 31, 2023.

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, 2023.

Changes in Internal Control over Financial Reporting

During the twelve months ended December 31, 2023 and 2022, 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. There were no 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, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B - OTHER INFORMATION

Not applicable.

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	47	Founder, Chairman of the Board, and Chief Executive Officer
Ryan S. Schram	43	President, Chief Operating Officer, and Director
Peter J. Biere	67	Chief Financial Officer
Brian W. Brady	65	Director, Nominating Committee Chair
John H. Caron	66	Director
Lindsay A. Gardner	63	Director
Daniel R. Rua	54	Director, Compensation Committee Chair
Patrick J. Venetucci	55	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. Ryan Schram's (i) Form 4 in respect of an award of RSUs on January 1, 2023 was filed on May 5, 2023 and (ii) Form 4 in respect of the vesting of 11 RSU awards on February 28, 2023 and a related withholding of shares by the Company in respect of tax obligation was filed on March 3, 2023. Edward Murphy's Form 4 in respect of the vesting of 10 RSU awards on February 28, 2023 and a related withholding of shares by the Company in respect of tax obligations was filed on March 3, 2023. Peter Biere's Form 4 in respect of the vesting of four RSU awards on February 28, 2023 and a related withholding of shares by the Company in respect of tax obligations was filed on March 3, 2023.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2023, the members of the Company's Compensation Committee were Brian W. Brady, 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 2023 served as one of the Company's employees in 2023 or has ever served as one of its officers. During 2023, 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 six times during the year ended December 31, 2023.

***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 ten times telephonically during the year ended December 31, 2023, 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, 2023.

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, 2023; (ii) the two other most highly compensated executive officers other than the PEO who were serving as executive officers as of December 31, 2023; 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, 2023 (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]	2023	$ 352,112	$ 557,165	$ —	$ 56,011	$ 2,064	$ 967,352
Chief Executive Officer	2022	316,461	305,493	—	92,147	814	714,915
Ryan S. Schram [5]	2023	337,573	137,185	—	242,053	1,260	718,071
President, Chief Operating Officer	2022	305,769	46,151	—	312,876	371	665,167
Peter J. Biere[6]	2023	317,308	157,125	—	55,081	—	529,514
Chief Financial Officer	2022	248,558	78,597	—	39,135	—	366,290

(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 2023 and 2022 consisted of incentive compensation payable pursuant to each individual's employment agreement and 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, 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 pursuant to his employment agreement. For the year ended December 31, 2023, Mr. Murphy was awarded cash bonuses totaling $56,011 and restricted stock units valued at $557,165 pursuant to quarterly and annual performance bonus awards granted pursuant to his employment agreement. See *Employment Agreements* below for details on Mr. Murphy's total compensation plan.

(5) 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 pursuant to his employment agreement. For the year ended December 31, 2023, Mr. Schram was awarded cash bonuses totaling $242,053 and restricted stock units valued at $137,185 pursuant to quarterly and annual performance bonus awards granted pursuant to his employment agreement. See *Employment Agreements* below for details on Mr. Schram's total compensation plan.

(6) 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 pursuant to his employment agreement. For the year ended December 31, 2023, Mr. Biere was awarded cash bonuses totaling $55,081 and restricted stock units valued at $157,125 pursuant to quarterly and annual performance bonus awards granted pursuant to 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, 2023 pursuant to the Company’s equity incentive plans:

Name	Option Awards			
	Number of Securities Underlying Unexercised Options: Exercisable	Number of Securities Underlying Unexercised Options: Unexercisable	Option Exercise Price [(1)]	Option Expiration Date
Edward H. (Ted) Murphy	10,000	—	$ 20.80	12/26/2024
Chief Executive Officer	1,825	—	$ 31.20	4/1/2025
	777	—	$ 33.60	7/1/2025
	827	—	$ 32.00	10/1/2025
	9,347	—	$ 31.36	11/30/2025
	2,075	—	$ 27.64	3/30/2026
	1,385	—	$ 23.00	5/16/2026
	2,015	—	$ 28.88	8/16/2026
	1,575	—	$ 18.88	11/17/2026
	10,000	—	$ 19.00	11/30/2026
	3,563	—	$ 16.80	3/31/2027
	2,972	—	$ 11.00	5/12/2027
	7,029	—	$ 7.80	8/14/2027
	10,000	—	$ 18.60	11/30/2027
	1,905	—	$ 5.36	6/5/2028
	3,445	—	$ 4.40	8/16/2028
	2,151	—	$ 5.84	11/16/2028
	10,000	—	$ 5.32	11/30/2028
	50,000	—	$ 4.24	4/23/2029
	2,348	—	$ 2.60	5/14/2029
	3,385	—	$ 1.68	8/14/2029
	50,000	—	$ 1.24	8/27/2029
	5,729	—	$ 0.69	4/1/2030
	40,906	5,844	$ 5.04	8/27/2030
	4,706	277	$ 15.40	4/1/2031
	3,038	276	$ 11.84	5/18/2031
	4,306	861	$ 7.56	8/17/2031
	15,849	9,522	$ 9.12	8/27/2031
	2,485	828	$ 9.64	11/16/2031
Ryan S. Schram	1,667	—	$ 22.40	1/2/2025
President, Chief Operating Officer	305	—	$ 31.20	4/1/2025
	128	—	$ 33.60	7/1/2025
	140	—	$ 32.00	10/1/2025
	1,589	—	$ 30.40	1/1/2026
	346	—	$ 27.64	3/30/2026
	231	—	$ 23.00	5/16/2026
	336	—	$ 28.88	8/16/2026
	263	—	$ 18.88	11/17/2026
	1,667	—	$ 18.04	1/1/2027
	594	—	$ 16.80	3/31/2027
	603	—	$ 11.00	5/12/2027
	1,064	—	$ 7.80	8/14/2027

	1,667	—	$	18.08	1/1/2028
	701	—	$	5.36	6/5/2028
	811	—	$	4.40	8/16/2028
	156	—	$	5.84	11/16/2028
	1,667	—	$	3.92	1/1/2029
	1,628	—	$	2.60	5/14/2029
	2,393	—	$	1.68	8/14/2029
	1,667	—	$	0.95	1/1/2030
	1,597	70	$	0.69	3/31/2030
	3,107	932	$	7.28	1/1/2031
	582	252	$	15.40	4/1/2031
	553	—	$	11.84	5/18/2031
	861	—	$	7.56	8/17/2031
	552	—	$	9.64	11/16/2031
Peter J. Biere	3,542	1,458	$	15.40	4/1/2031
Chief Financial Officer	1,033	207	$	7.56	8/17/2031
	596	199	$	9.64	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 units held by each Named Executive Officer as of December 31, 2023, pursuant to the Company's equity incentive plans:

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Name		Stock Awards: 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 [(1)]
Edward H. (Ted) Murphy	(2)	4,111	$	8,263
Chief Executive Officer	(2)	1,632	$	3,280
	(2)	3,748	$	7,533
	(2)	32,286	$	64,895
	(2)	4,377	$	8,798
	(3)	8,782	$	17,652
	(3)	3,912	$	7,863
	(3)	8,591	$	17,268
	(3)	76,567	$	153,900
	(3)	66,648	$	133,962
	(3)	67,882	$	136,443
Ryan S. Schram	(4)	489	$	983
Chief Operating Officer	(4)	72	$	145
	(4)	105	$	211
	(4)	240	$	482
	(5)	2,337	$	4,697
	(6)	8,640	$	17,366
	(7)	489	$	983
	(7)	280	$	563
	(7)	970	$	1,950
	(7)	22,727	$	45,681
	(7)	23,148	$	46,527
	(7)	519	$	1,043
Peter J. Biere	(8)	267	$	537
Chief Financial Officer	(8)	227	$	456
	(9)	2,211	$	4,444
	(10)	1,505	$	3,025
	(10)	921	$	1,851
	(10)	1,886	$	3,791
	(10)	2,191	$	4,404
	(11)	9,602	$	19,300
	(12)	4,213	$	8,468
	(12)	26,909	$	54,087
	(12)	27,407	$	55,088

(1) The estimated value is based on the unvested RSUs [or shares of restricted stock] multiplied by the closing price of the Company's common stock on December 29, 2023, which was $2.01.

(2) On April 1, 2022, May 19, 2022, August 16, 2022, and November 18, 2022, the Company issued 9,851, 3,667, 6,740, and 6,847 restricted stock units, respectively, for Mr. Murphy's 2022 quarterly stock bonus awards pursuant to his employment agreement. The stock was initially valued at $65,017, $15,695, $27,230, and $18,213. On August 27, 2022, the Company issued 50,000 restricted stock units initially valued at $179,500 for Mr. Murphy's 2022 annual stock bonus.

(3) On May 26, 2023, August 18, 2023, September 1, 2023, and October 31, 2023, the Company issued 5,024, 9,978, 66,648, and 67,882 restricted stock units, respectively, for Mr. Murphy's 2023 quarterly stock bonus awards pursuant to his employment

agreement. The stock was initially valued at $14,668, $20,654, $146,626, and $146,625. On April 14, 2023, the Company issued 11,707 restricted stock units initially valued at $28,592 for Mr. Murphy's KPI Stock Bonus. On August 27, 2023, the company issued 85,470 restricted stock units initially valued at $200,000 for Mr. Murphy's 2023 annual stock bonus. As of December 31, 2023, Mr. Murphy has 278,536 restricted stock units that are unvested with a total market value of $559,857 based on the closing stock price of $2.01 on December 31, 2023.

(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 21,249, 7,818, 837, 663, and 1,119 restricted stock units for Mr. Schram's 2020 quarterly stock bonus award and annual stock bonus award pursuant to 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 4,665 restricted stock units for Mr. Schram's 2021 annual stock bonus award pursuant to his employment agreement. The stock was initially valued at $25,000 and vests in equal monthly installments over 48 months.

(6) On January 1, 2023, the Company issued 11,511 restricted stock units for Mr. Schram's 2022 annual stock bonus award pursuant to his employment agreement. The stock was initially valued at $25,000 and vests in equal monthly installments over 48 months.

(7) On May 26, 2023, August 18, 2023, September 1, 2023, and October 31, 2023, the Company issued 838, 1,663, 22,727, and 23,148 restricted stock units initially valued at $2,445, $3,441, $50,000, and $50,000, respectively, for Mr. Schram's 2023 quarterly stock bonus awards pursuant to his employment agreement. On April 14, 2023 and November 24, 2023 the Company issued 1,952 and 623 restricted stock units initially valued at $4,766 and $1,532 for Mr. Schram's KPI Stock Bonus. As of December 31, 2023, 60,016 restricted stock units are unvested with a total market value of $120,632 based on the closing stock price of $2.01 on December 31, 2023.

(8) 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 1,072 and 689 restricted stock units for Mr. Biere's quarterly stock bonus awards pursuant to his employment agreement. The stock was initially valued at $8,101 and $6,635 and vests in equal monthly installments over 36 months.

(9) On April 1, 2022, the Company issued 3,788 restricted stock units for Mr. Biere's annual stock award pursuant to 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.

(10) On April 1, 2022, May 19, 2022, August 16, 2022, and November 18, 2022 the Company issued 3,619, 1,845, 3,236, and 3,287 restricted stock units, respectively, for Mr. Biere's 2022 quarterly stock bonus award pursuant to his employment agreement. The stock was initially valued at $23,885, $7,894, $13,072, and $8,745 and vest quarterly over 36 months.

(11) On April 1, 2023, the Company issued 9,602 restricted stock units for Mr. Biere's annual stock award pursuant to 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.

(12) On April 14, 2023, September 1, 2023 and October 31, 2023 the Company issued 5,620, 26,909, and 27,407 restricted stock units, respectively, for Mr. Biere's 2023 quarterly stock bonus award pursuant to his employment agreement. The stock was initially valued at $13,728, $59,200 and $59,198. As of December 31, 2023, 77,339 restricted stock units are unvested with a total market value of $155,451 based on the closing stock price of $2.01 on December 31, 2023.

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).

Effective September 1, 2023, the Company entered into an agreement to replace Mr. Murphy's prior employment agreement, providing an annual base salary of $425,000 for an initial term of 3 years. The agreement provides for an annual bonus at the sole discretion of the Board or Compensation Committee, up to seventy-five percent (75%) of the Executive's base salary in cash to be paid out in five (5) installments. The agreement additionally provides that, subject to the discretion of the Board or the Compensation Committee, Mr. Murphy will be eligible for a long-term incentive award with a fair value of $586,500 which will be in the form of four restricted stock unit awards which will vest over three years following the grant date, one-third (1/3) upon 12 months of the grant date and quarterly thereafter.

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 Mr. 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).

Effective September 1, 2023, the Company entered into an agreement to replace Mr. Schram's prior employment agreement, providing an annual base salary of $400,000 for an initial term of 3 years. The agreement provides for an annual executive bonus targeted at fifty percent (50%) of Mr. Schram's base salary in cash to be paid quarterly and annually pursuant to the terms of the agreement. Such quarterly and annual bonuses will be based on the achievement of specified annual performance goals. The agreement additionally provides that, subject to the discretion of the Board or the Compensation Committee, Mr. Schram will be eligible for a long-term incentive award in 2023 of $200,000 which will be in the form of four restricted stock unit awards which will vest over three years following the grant date, one-third (1/3) upon 12 months of the grant date and quarterly thereafter.

Peter J. Biere. On April 1, 2021, the Company entered into an employment agreement with Mr. 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.

Effective September 1, 2023, the Company entered into an agreement to replace Mr. Biere's prior employment agreement, providing an annual base salary of $320,000 for an initial term of 3 years. The agreement provides for an annual bonus at the sole discretion of the Board or Compensation Committee, which shall be equal to up to sixty percent (60%) of the Executive's base salary to be paid out in five (5) installments pursuant to the terms of the CFO Employment Agreement. Such annual bonuses will be based on the achievement of specified annual performance goals. The agreement additionally provides that, subject to the discretion of the Board or the Compensation Committee, Mr. Biere will be eligible for a long-term incentive award of $236,800 which will be in the form of four restricted stock unit awards which will each vest over three years following the grant date, one-third (1/3) upon 12 months of the grant date and quarterly thereafter.

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 1,875,000 shares of common stock as incentive compensation for its employees and consultants. On October 17, 2023 stockholders voted to amend and restate the 2011 Plan to increase the number of shares of common stock authorized for issuance by 1,800,000 shares. As of December 31, 2023, an aggregate of 910,950 shares of common stock had 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 125,000 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 December 18, 2028, unless otherwise terminated by the Company's Board. As of December 31, 2023, 44,022 shares have been issued under the ESPP.

On November 30, 2023, the Board adopted the IZEA Worldwide, Inc. 2023 Inducement Plan (the "Inducement Plan") to accommodate equity grants to new employees hired in connection with acquisition transactions, including the Hoozu acquisition. Under the Inducement Plan, the Company may grant RSUs, including performance-based and time-based RSUs, with respect to up to a total of 1,800,000 shares of the Company's common stock to new employees. Pursuant to Rule 5635(c)(4) of the Listing Rules, the Inducement Plan was adopted without stockholder approval. In accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules, awards under the Inducement Plan can only be made to individuals not previously employees or non-employee directors (or following such individuals' bona fide period of non-employment with the Company), as an inducement material to the individuals' entry into employment with the Company or in connection with a merger or acquisition, to the extent permitted by Rule 5635(c)(3) of the Nasdaq Listing Rules.

On December 1, 2023, the Board approved the grant of inducement awards under the Inducement Plan to five employees of Hoozu consisting of an aggregate of 328,354 performance-based RSUs as inducement awards material to such employees' entering into employment with the Company, pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. The RSU grants, which vest in annual increments over a three-year performance period based upon the achievement of certain revenue and profitability metrics, represent the maximum number of shares that can be earned under the awards. Vesting is also subject to the recipient's continued service through each annual vesting date. Unearned RSUs will be forfeited if the minimum revenue in each period is not achieved. Each award is subject to the terms and conditions of the Inducement Plan and the terms and conditions of the applicable RSU award agreement covering the grant.

Director Compensation

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.

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, 2023:

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Total
Brian W. Brady [(1)]	$ 40,500	$ 60,000	$ —	$ 100,500
John H. Caron [(2)]	$ 43,500	$ 60,000	$ —	$ 103,500
Lindsay A. Gardner [(3)]	$ 42,500	$ 60,000	$ —	$ 102,500
Daniel R. Rua [(4)]	$ 53,500	$ 60,000	$ —	$ 113,500
Patrick J. Venetucci [(5)]	$ 57,500	$ 60,000	$ —	$ 117,500

(1) In 2023, Mr. Brady received 26,304 shares of restricted stock with a grant date fair value of $60,000. The shares vested immediately at each quarterly grant date from January through December 2023. Mr. Brady also received cash compensation of $40,500 in accordance with the Company's non-employee director compensation program.

(2) In 2023, Mr. Caron received 26,304 shares of restricted stock with a grant date fair value of $60,000 upon issuance. The shares vested immediately at each quarterly grant date from January through December 2023. Mr. Caron also received cash compensation of $43,500 in accordance with the Company's non-employee director compensation program.

(3) In 2023, Mr. Gardner received 26,304 shares of restricted stock with a grant date fair value of $60,000 upon issuance. The shares vested immediately at each quarterly grant date from January through December 2023. Mr. Gardner also received cash compensation of $42,500 in accordance with the Company's non-employee director compensation program.

(4) In 2023, Mr. Rua received 26,304 shares of restricted stock with a grant date fair value of $60,000 upon issuance. The shares vested immediately at each quarterly grant date from January through December 2023. Mr. Rua also received cash compensation of $53,500 in accordance with the Company's non-employee director compensation program.

(5) In 2023, Mr. Venetucci received 26,304 shares of restricted stock with a grant date fair value of $60,000 upon issuance. The shares vested immediately at each quarterly grant date from January through December 2023. Mr. Rua also received cash compensation of $57,500 in accordance with the Company's non-employee director compensation program.

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 25, 2024 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 25, 2024, or by May 24, 2024, 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.

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)	513,800	3.1 %
Ryan S. Schram (3)	82,543	*
Peter J. Biere (4)	16,012	*
Brian W. Brady (5)	414,647	2.5 %
John H. Caron (6)	66,922	*
Lindsay A. Gardner (7)	77,930	*
Daniel R. Rua (8)	50,683	*
Patrick J. Venetucci (9)	57,384	*
All executive officers and directors as a group (8 persons) (10)	1,279,921	
5% Stockholders:		
GP Cash Management, Ltd. (11)	939,929	5.7 %

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* Less than 1 percent.

(1) The applicable percentage of ownership for each holder is based on 16,264,416 shares outstanding as of March 25, 2024.

(2) Includes 239,554 outstanding shares of common stock, exercisable stock options to purchase 265,612 shares of common stock, and 8,634 restricted stock units expected to vest within the 60 days under the 2011 Plan.

(3) Includes 53,899 outstanding shares of common stock, exercisable stock options to purchase 27,012 shares of common stock, and 1,632 restricted stock units expected to vest within the 60 days under the 2011 Plan.

(4) Includes 7,197 outstanding shares of common stock, exercisable stock options to purchase 5,332 shares of common stock and 3,483 restricted stock units expected to vest within the 60 days under the 2011 Plan.

(5) Includes 412,176 outstanding shares of common stock and stock options exercisable for 2,471 shares of common stock under the 2011 Plan.

(6) Includes 66,297 outstanding shares of common stock, stock options exercisable for 625 shares of common stock under the 2011 Plan.

(7) Includes 77,641 outstanding shares of common stock and stock options exercisable for 289 shares of common stock under the 2011 Plan.

(8) Includes 48,441 outstanding shares of common stock and stock options exercisable for 2,242 shares of common stock under the 2011 Plan.

(9) Includes 56,134 outstanding shares of common stock and stock options exercisable for 1,250 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 304,833 shares of common stock, and 13,749 restricted stock units expected to vest within 60 days of March 25, 2024, under the 2011 Plan.

(11) Based on the Schedule 13G, jointly filed by GP Cash Management, Ltd. ("GP Cash Management") and GP Investments, Ltd. ("GP Investments") with the SEC on March 1, 2024. According to the Schedule 13G, the reporting persons had shared voting power and shared dispositive power with respect to 939,929 shares and did not have sole voting power or dispositive power as to any shares. According to the Schedule 13G, GP Investments is the sole shareholder of GP Cash Management. Fersen Lambranho and Antonio Bonchristiano share voting control over the controlling shareholder of GP Investments. GP Cash Management directly owns 939,929 shares of Common Stock. The address of the principal business office of GP Cash Management is Lyford Manor, Western Road, Lyford Cay, Nassau, N.P., The Bahamas, PO BOX CB-13007. The address of the principal business office of GP Investments is 16 Burnaby Street, Hamilton, HM 11, Bermuda.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets forth information regarding the securities authorized for issuance under the Company's equity compensation plans as of December 31, 2023:

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)
Equity compensation plans approved by security holders[1]	1,306,450 [2]	$ 9.53 [3]	1,676,845 [4]
Equity compensation plans not approved by security holders[1]	328,354 [5]	$ —	1,471,646 [6]

(1) See the section titled "Executive Compensation-Equity Incentive Plans" under Item 11 of this Form 10-K for a brief description of the terms of our equity compensation plans.

(2) Consists of shares of common stock subject to outstanding awards under the 2011 Plan.

(3) Reflects weighted-average exercise price of stock options issued under the 2011 Plan. Such weighted-average exercise price does not include shares issuable upon vesting of outstanding RSU awards, which have no exercise price and are included in column (a).

(4) As of December 31, 2023, the Company had 1,595,867 shares of common stock available for future issuance under the 2011 Plan and 80,978 shares of common stock available for future issuance under its 2014 Employee Stock Purchase Plan.

(5) Consists of shares of common stock subject to outstanding awards under the Inducement Plan.

(6) As of December 31, 2023 the Company had 1,471,646 shares of common stock available for future issuance under the Inducement Plan.

As of March 25, 2024, the Company had 16,264,416 shares of common stock issued, which includes outstanding stock options to purchase 343,570 shares of its common stock at an average exercise price of $9.53 per share and unvested restricted stock units of 1,375,720 shares with an intrinsic value of $2,750,070.

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, 2023 and 2022, 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.

The engagement of GRANT THORNTON, LLP ("GT"), independent registered public accounting firm, has 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 $727,645 and $708,645 for the twelve months ended December 31, 2023, and 2022, respectively.

	Twelve Months Ended December 31,	
Fee Category	**2023**	**2022**
Audit Fees [1]	$ 671,140	$ 646,937
Tax Fees [2]	56,505	61,708
Total	$ 727,645	$ 708,645

[1] "Audit Fees" means the aggregate fees billed by the principal accountant 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 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).
3.5		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).
3.6		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).
3.7		Certificate of Change filed with the Secretary of State of the State of Nevada effective June 16, 2023 (Incorporated by reference to exhibit 3.1 to the Company's Current Report on Form 8-k filed with the SEC)
3.8		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).
3.9		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).
3.10		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).
3.11		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).
3.12		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).
3.13		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 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 25, 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 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 25, 2022).
10.9	(a)	First Amendment to Executive Employment Agreement between IZEA Worldwide, Inc. and Peter J. Biere dated January 28, 2022 (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on February 25, 2022).
10.10	(a)	Second Amendment to Executive Employment Agreement between IZEA Worldwide, Inc. and Peter J. Biere dated January 9, 2023 (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 12, 2023).
10.11	*(a)	Executive Employee Agreement between IZEA Worldwide, Inc. and Edward H. Murphy, effective September 1, 2023.
10.12	*(a)	Executive Employee Agreement between IZEA Worldwide, Inc. and Ryan S. Schram, effective September 1, 2023.
10.13	*(a)	Executive Employee Agreement between IZEA Worldwide, Inc. and Peter J. Biere, effective September 1, 2023.
10.14	(a)	Forms of grant notice, stock option agreement, and notice of exercise under the IZEA Worldwide, Inc. 2011 Equity Incentive Plan (Incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2023).
10.15	(a)	Forms of restricted stock unit grant notice and award agreement under the IZEA Worldwide, Inc. 2011 Equity Incentive Plan (Incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2023)..
10.16	(a)	Forms of restricted stock award grant notice and award agreement under the IZEA Worldwide, Inc. 2011 Equity Incentive Plan (Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2023)..
10.17	(a)	Amendment and Restatement of the Amended and Restated 2011 Equity Incentive Plan (incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC October 20, 2023).
10.18	(a)	IZEA Worldwide, Inc. 2023 Inducement Plan (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 6, 2023).
10.19	(a)	Form of Performance-Based Restricted Stock Unit Award Agreement under the IZEA Worldwide, Inc. 2023 Inducement Plan (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K).
10.20	(a)	Form of Time-Based Restricted Stock Unit Award Agreement under the IZEA Worldwide, Inc. 2023 Inducement Plan (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K).
21.1	*	List of Subsidiaries of IZEA Worldwide, Inc.
23.1	*	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.

97	*	IZEA Worldwide Inc. Compensation Recoupment Policy
101	* (c)	The following materials from IZEA Worldwide, Inc.'s Annual Report for the year ended December 31, 2023 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 601of 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

April 1, 2024	By:	/s/ Edward H. Murphy
		Edward H. Murphy Chairman and Chief Executive Officer (Principal Executive Officer)
April 1, 2024	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.

/s/ Edward H. Murphy	April 1, 2024
Edward H. Murphy Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	
/s/ Peter J. Biere	April 1, 2024
Peter J. Biere Chief Financial Officer (Principal Financial and Accounting Officer)	
/s/ Ryan S. Schram	April 1, 2024
Ryan S. Schram President, Chief Operating Officer and Director	
/s/ Brian W. Brady	April 1, 2024
Brian W. Brady Director	
/s/ John H. Caron	April 1, 2024
John H. Caron Director	
/s/ Lindsay A. Gardner	April 1, 2024
Lindsay A. Gardner Director	
/s/ Daniel R. Rua	April 1, 2024
Daniel R. Rua Director	
/s/ Patrick J. Venetucci	April 1, 2024
Patrick J. Venetucci Director	

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("**Agreement**") is made by and between IZEA Worldwide, Inc., a Nevada corporation (the "**Company**"), and Edward H. Murphy (the '**Executive**"), and is effective as of September 1, 2023 (the "**Effective Date**").

WHEREAS, effective as of the Effective Date, the parties intend this Agreement to replace in all respects any other prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation any offer letter, employment agreement or severance agreement, excluding any applicable stock award agreements between Executive and Company ("**Prior Equity Agreements**"); and

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.
    a. <u>Term</u>. The term of the Executive's employment with the Company will commence on the Effective Date and will continue for an initial term of three (3) years (the "**Initial Term**"), unless earlier terminated as outlined herein. This Agreement will automatically renew for successive one-year periods (each extension, a "**Renewal Term**"), on the same terms and conditions as set forth in this Agreement (as modified in writing from time to time by the parties) unless either party provides written notice to the other party of its desire to not renew this Agreement at least ninety (90) days before the end of the Initial Term or any Renewal Term, as applicable, or unless earlier terminated as provided below. The Initial Term plus any Renewal Terms will be included in the "**Term**."
    b. <u>Position and Duties</u>. During the Term, the Executive shall serve as the Chief Executive Officer of the Company, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the "**Board**"), <u>provided</u> that such duties are consistent with the Executive's position or other positions that the Executive may hold from time to time. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior written approval of the Board, as long as such services and activities are disclosed to the Board, or engage in religious, charitable or other community activities, and so long as all of the foregoing do not materially interfere with the Executive's performance of the Executive's duties or obligations to the Company (whether under this Agreement, the Restrictive Covenant, any other agreement, applicable law or otherwise). To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any or its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason and by whichever party. The Executive shall execute any documents in reasonable form as may be requested by the Company to confirm or effectuate any such resignations.
2. Compensation and Related Matters.

a. Base Salary. The Executive's initial base salary rate shall be based on the annualized rate of $425,000.00 per annum. The Executive's base salary shall be subject to annual review by the Compensation Committee of the Board (the "**Compensation Committee**") and adjusted as determined by the Board or the Compensation Committee in its sole discretion. The Executive's base salary in effect at any given time is referred to herein as "**Base Salary.**" The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices and schedule for senior executives.
b. Executive Bonus. The Executive shall be eligible to receive quarterly and annual bonuses as determined by the Board or the Compensation Committee in its discretion ("**Executive Bonus**"). The Executive's target Executive Bonus for fiscal year 2023 shall be up to seventy-five percent (75%) of the Executive's Base Salary. The Executive Bonus for fiscal year 2023 shall be paid out in five (5) installments. The first two (2) installments have already been paid to Executive. The third, fourth, and fifth installments shall be paid to Executive as soon as reasonably practicable following the end of the Company's third fiscal quarter, fourth fiscal quarter and fiscal year 2023, respectively, and in any event within seventy-four (74) days following such end of such quarter or fiscal year, as applicable. The Executive's target Executive Bonus for future fiscal years shall be in such percentage as determined from time to time by the Board or Compensation Committee in its discretion, but in no case less than seventy-five percent (75%) unless agreed upon by the Executive in writing. The actual amount of the Executive's Executive Bonus, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of the applicable Executive Bonus Plan that may be in effect from time to time. Except as otherwise provided herein or in any applicable Executive Bonus Plan, to earn any Executive Bonus in a given measurement period, the Executive must be employed by the Company in good standing on the day such Executive Bonus is paid. Subject to the foregoing, Executive Bonus shall be paid in cash to the Executive immediately after filing the Form 10-Q for the quarter or Form 10-K for the year to which such Executive Bonus relates. The Executive's eligibility and entitlement to a 2024 bonus will be determined by terms and conditions of the Company's Executive Bonus Plan, effective January 1, 2024.
c. Long-Term Incentive Compensation. With respect to fiscal year 2024 and each fiscal year thereafter during the Term, the Executive will be eligible for long-term incentive awards commensurate with the Executive's position and performance, in the discretion of the Board and the Compensation Committee (an "**LTI Award**"). For fiscal year 2023, the Executive's long-term incentive award will be in the form of four (4) restricted stock unit awards covering the Company's common stock. Each such award will have a nominal value equal to $586,500 divided by four (4), rounded up to the nearest whole cent ("**Quarterly Nominal Value**"). Each such award will cover a number of units determined by dividing the Quarterly Nominal Value by the closing stock price of the Company's common stock on the grant date of the relevant award, rounded up to the nearest whole unit. The first such award will be granted in September 2023, subject to the Executive's continued employment with the Company through such grant date. The second, third and fourth such awards will be granted on the first, second and third, respectively, dates following September 2023 on which the Company

regularly grants equity awards to its employees, subject to the Executive's continued employment with the Company through the relevant grant date. Each such award will vest over three years following its grant date, one-third upon 12 months of the grant date, and quarterly after that, consistent with the vesting schedule for restricted stock unit awards granted to the Company's employees generally, subject to the Executive's continued employment with the Company through the relevant vesting date. The Executive's LTI Award for fiscal years after fiscal year 2023 shall be in such amount as determined from time to time by the Board and Compensation Committee in its discretion, but in no case less than 138% of the Base Salary, unless agreed upon by the Executive. Subject to the approval of the Board and/or the Compensation Committee, as required pursuant to the Company's organizational documents, the Company will grant such LTI Award to the Executive in the form of time-based restricted stock units as determined by the Board and/or the Compensation Committee in its/their discretion. The LTI Award, including the four (4) restricted stock unit awards described above with respect to fiscal year 2023, shall be subject to the provisions of the Company's Equity Incentive Plan ("**Plan**") and the applicable award agreement(s) thereunder ("**Stock Agreement**"), pursuant to which they are granted, including but not limited to the vesting schedule, acceleration provisions and employment termination provisions of the Plan and the Stock Agreement(s), each as may be amended from time to time in accordance with their terms. The Plan and the Stock Agreement(s) are referred collectively to as the "**Equity Documents**." The size, type, and terms of any LTI Awards for fiscal year 2024 and each fiscal year thereafter during the Term shall be determined by the Compensation Committee or by the Board based on a recommendation made by the Compensation Committee in its discretion.

d. Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

e. Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms and conditions of such plans. The Company's employee benefit plans may be modified or terminated at any time in the Company's sole discretion.

f. Paid Time Off. The Executive shall be entitled to five (5) weeks of paid time-off in accordance with the Company's applicable paid vacation policy for executives, as may be in effect and/or which may be modified or adjusted from time to time. The Executive shall also be entitled to all paid holidays given by the Company to its U.S. employees. Unless otherwise required by applicable Company policy or applicable law, Executive shall be permitted to carryover a maximum of five (5) accrued but unused vacation days remaining at the end of a given year.

3. Termination

. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

a. Death. The Executive's employment hereunder shall terminate upon the Executive's death.

b. Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 120 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether, during any period, the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall, for the purposes of this Agreement, be deemed to be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of whether the Executive is disabled shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq*.

c. Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "**Cause**" shall mean any of the following: (i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the Board, (B) dishonesty to the Board, with respect to any material matter, or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes; (ii) the commission by the Executive of, or plea of guilty or no lo contendere to, (A) any felony or (B) a misdemeanor involving moral turpitude (as defined under applicable state or federal criminal statutes), deceit, dishonesty or fraud; (iii) any conduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or material reputational harm to the Company or any of its subsidiaries and affiliates if the Executive were to continue to be employed in the Executive's position; (iv) continued unsatisfactory performance or non-performance by the Executive of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) that has continued for more than 30 days following written notice of such unsatisfactory performance or non-performance from the Board; (v) a breach by the Executive of any of the provisions contained in Section 7 of this Agreement, the Restrictive Covenants Agreement (as defined below) or any other Continuing Obligations (as defined below); (vi) a breach by the Executive of any fiduciary duty and/or duty of loyalty to the Company or any of its subsidiaries or affiliates; (vii) a material violation by the Executive of the Company's written employment policies (including, but not limited to, any violation of any written equal employment opportunity policy or any written policy prohibiting discrimination, harassment or retaliation) or corporate governance policies; or (viii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. Prior to any termination for Cause, Executive will be given five (5) business days written notice specifying the alleged Cause event and, if reasonable to accommodate in the situation, an opportunity for the Executive to address the Board on the alleged Cause event before the Board.

d. Termination by the Company Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

e. Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason including, but not limited to, Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean that the Executive has complied with and completed all steps of the "**Good Reason Process**" (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each a "**Good Reason Condition**"): (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary, except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or (iii) a material breach of this Agreement by the Company.

The "**Good Reason Process**" means and consists of the following steps: (i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "**Cure Period**"), to remedy the Good Reason Condition; (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and (v) the Executive terminates the Executive's employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

a. Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice that shall indicate the specific termination provision in this Agreement being relied upon.

b. Date of Termination. "**Date of Termination**" shall mean: (i) if the Executive's employment is terminated due to the Executive's death, the date of the Executive's death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in or constitute a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.
    a. Termination Generally. If the Executive's employment with the Company is terminated for any reason and by whichever party, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned but not yet paid through the Date of Termination; (ii) payment of a pro-rata portion of Executive's Annual Bonus, if any, that was earned but not yet paid as of the Date of Termination; (iii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iv) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, including any accrued but unused vacation, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "**Accrued Benefits**").
    b. Termination as a Result of Death or Permanent Disability. In the event that Executive's employment is terminated as a result of Executive's death or Disability, Executive (or Executive's estate or personal representative, as applicable) shall be entitled only to:
        i. the Accrued Obligations;
        ii. Payment of an amount equal to Executive's Annual Bonus for the current fiscal year, pro rated based on actual performance and payable in accordance with the Executive Bonus Plan; and
        iii. Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.
        iv. Notwithstanding the foregoing, Executive shall have no further rights to any compensation or any other benefits under this Agreement
    c. Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), each outside the Change in Control Period (as defined below), then, in addition to the Accrued Benefits, and subject to (i) the Executive signing, not revoking and complying with a separation agreement, in a form and manner satisfactory to the Company, which shall include, among other provisions, a general release of claims against the Company and all related persons and entities, confidentiality, return of property and non-disparagement obligations, a reaffirmation of all of the Executive's Continuing Obligations (as defined below),

and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount (as defined below) shall immediately cease (the "**Separation Agreement and Release**") and (ii) the Separation Agreement and Release becoming effective and irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), the Company will pay or provide (as applicable) the following (collectively, the "**Severance Pay and Benefits**"):

i. the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary (the "**Severance Amount**"). Notwithstanding the foregoing, if the Executive breaches any of the Continuing Obligations (as defined below), all payments of the Severance Amount may be terminated by the Company without affecting the other provisions of the Separation Agreement and Release; and

ii. if the Executive was participating in the Company's group health, dental and/or vision plans immediately prior to the Date of Termination and properly elects to continue health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), then, subject to the Executive's copayment of the premium amounts at the applicable active employees' rate, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of the following: (i) the twelve-month anniversary of the Date of Termination; (ii) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or otherwise through other employment; or (iii) the cessation of the Executive's continuation coverage rights under COBRA. Notwithstanding the foregoing, if the Company determines at any time that its payments pursuant to this paragraph may be taxable income to the Executive or that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company may convert such payments to payroll payments directly to the Executive for the time period specified above; and such payments shall be subject to tax-related deductions and withholdings and shall be paid on the Company's regular payroll dates. Any other premiums or costs of COBRA continuation coverage not provided above (including, without limitation, for any COBRA coverage after the time period set forth above) shall be at the sole expense of the Executive.

iii. the Company shall pay the Executive an amount equal to Executive's Annual Bonus for the current fiscal year, pro-rated based on actual performance and payable in accordance with the Executive Bonus Plan.

iv. Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

v. The amounts payable under this Section 4(c)(i) and 4(c)(ii) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. The Company shall pay the amounts contemplated by Section 4(c)(ii) each month at the time the Company normally pays the Company's group health provider on behalf of its remaining active employees, except as otherwise provided in Section 4(c)(ii) if such payments are made directly to the Employee. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment and Benefits

. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. The provisions of this Section 5 shall apply in lieu of, and expressly supersede, the provisions of Section 4(c) if (i) the Executive's employment is terminated either by the Company without Cause as provided in Section 3(d) or by the Executive for Good Reason as provided in Section 3(e) and (ii) the Date of Termination occurs upon, within three (3) months prior to or within twelve (12) months after the occurrence of the first event constituting a Change in Control (such period, the "**Change in Control Period**"). These provisions shall terminate and be of no further force or effect immediately after the end of the Change in Control Period.

a. Change in Control. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Benefits, and subject to the Executive signing, not revoking and complying with the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the Company will pay or provide (as applicable) the following (collectively, the "**Change in Control Payment and Benefits**"):

i. the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher);

ii. if the Executive was participating in the Company's group health, dental and/or vision plans immediately prior to the Date of Termination and properly elects to continue health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), then, subject to the Executive's copayment of premium amounts at the applicable active employee's rate, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the

Executive had remained employed by the Company until the earliest of the following: (i) the twelve (12) month anniversary of the Date of Termination; (ii) the Executive’s eligibility for group medical plan benefits under any other employer’s group medical plan or otherwise through other employment; or (iii) the cessation of the Executive’s continuation coverage rights under COBRA. Notwithstanding the foregoing, if the Company determines at any time that its payments pursuant to this paragraph may be taxable income to the Executive or that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company may convert such payments to payroll payments directly to the Executive for the time period specified above; and such payments shall be subject to tax-related deductions and withholdings and shall be paid on the Company’s regular payroll dates. Any other premiums or costs of COBRA continuation coverage not provided above (including, without limitation, for any COBRA coverage after the time period set forth above) shall be at the sole expense of the Executive.

iii. the Company shall pay the Executive an amount equal to the Executive Bonus for the current fiscal year, pro rated based on target performance and payable in accordance with the Executive Bonus Plan.

iv. Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

v. The amounts payable under this Section 5(a)(i) and Section 5(a)(ii) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

b. Additional Limitation.

i. Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the “**Aggregate Payments**”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A- 24(b) or (c).

ii. For purposes of this Section 5(b), the "**After Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

iii. The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, absent manifest error or omission.

c. Definitions. For purposes of this Section 5, the term "**Change in Control**" shall mean a "Sale Event" as defined in the Company's 2011 Equity Incentive Plan, as amended.

6. Section 409A.

a. Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

b. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). This right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

c. To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

d. The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

e. The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Restrictive Covenants and Continuing Obligations

. For purposes of this Section 7, unless otherwise expressly indicated, references to the Company shall include, individually and collectively, the Company, its subsidiaries and affiliates, and its and their predecessors, successors and assigns. For purposes of this Agreement, the Executive's obligations, covenants and restrictions in this Section 7 and those that arise in any other agreement relating to (or containing provisions relating to) confidentiality, assignment of inventions, non-competition, non-solicitation and/or any other restrictive covenants, and/or that arise, under applicable law, shall collectively be referred to as the "**Continuing Obligations.**" For avoidance of doubt, this Section 7 is in addition to and supplements (and is supplemented by) and does not supersede or limit (and is not superseded or limited by) any such other agreements and Continuing Obligations.

a. Proprietary Information. The Executive acknowledges, understands and agrees that, in the course of the Executive’s employment he will be informed of, provided with, utilize on the Company’s behalf, develop and will have access to information concerning the Company and its businesses, customers, business relationships, plans, technology, trade secrets, and financial, business and legal affairs which the Company has not released to the general public, is not generally known to the public or in the industry, has been and will be developed by the Company at great expense, is a valuable competitive asset of the Company, constitutes a “trade secret” under applicable law and/or the disclosure of which or use of which (other than for the benefit of the Company) could result in a competitive disadvantage to the Company or otherwise could negatively affect the Company (collectively, “**Proprietary Information**”). The Executive understands that all Proprietary Information (and all materials that constitute, comprise or contain such information) is and will be the exclusive property of the Company. By way of illustration and not limitation, Proprietary Information includes such information and materials regarding or constituting: (i) *corporate, legal and financial information*, including plans, strategies, developments, methods, policies, resolutions, negotiations, contracts, litigation, claims, performance data, debt arrangements, equity structure, investors and holdings, and purchasing, pricing and sales data; (ii) *customer and client information,* including prices, terms and conditions of the Company’s arrangements or contracts with its clients and customers, the identities, needs, preferences and requirements of the Company’s clients and customers and their use of the Company’s systems, products and/or services, the nature, extent and particulars of the business dealings between the Company and its clients and customers, client and customer lists and contact information, and any other information provided to the Company by its clients and customers under obligation of confidentiality; (iii) *marketing and performance information*, including strategies, methods, pricing policies and price lists, cost and performance data, financial results, planning data, customers, clients and prospects contacts, lists and preferences, referral sources and information, vendor and supplier lists, contacts and preferences, and market or sales analyses, projections, reports, or forecasts; (iv) *operational, technological, product and service information*, including plans, specifications, manuals, forms, templates, software, source code, object code, designs, research, developments, methods, procedures, formulas, algorithms, discoveries, inventions, improvements, intellectual property, innovations, concepts, ideas, and system, product and/or service specifications, features, advantages, disadvantages and/or limitations; and (v) *personnel information*, including personnel lists, reporting or organizational structure, resumes, personnel data, compensation structure, performance evaluations and termination arrangements or documents. Proprietary Information also includes (x) any and all information received in confidence by the Company from its clients, customers, distributors or suppliers or other third parties; (y) any and all information which the Company instructs the Executive to keep confidential and/or not to discuss with or disclose to anyone outside the Company (including customers); and (z) any and all information received in confidence by the Company from its customers or suppliers or other third parties. Notwithstanding the foregoing, Proprietary Information does not include any information that is in the public domain, unless due to breach of the Executive’s duties and restrictions under this Section 7 hereof or otherwise owing to the Company.

b. Confidentiality. The Executive understands, acknowledges and agrees that the Executive's employment creates a relationship of confidence and trust between the Executive and the Company with respect to all Proprietary Information; and that the Company is hereby agreeing to provide the Executive with access Proprietary Information as and in consideration of the Executive's agreement to the Executive's restrictions, covenants and obligations under this Section 7. At all times, both during and after the Executive's employment with the Company, the Executive will keep in confidence and trust all such Proprietary Information, and will not use or disclose any such Proprietary Information without the written consent of the Board, except as may be authorized by the Board or necessary in the ordinary course of performing the Executive's duties for the Company or as may be required by law or legal process. The Executive agrees to take reasonable security measures to prevent accidental or unauthorized use or disclosure of Proprietary Information.

c. Documents, Records, and Other Company Property. All documents, records, files, data, computer files, software, all copies of the foregoing (in any form or format, whether hard-copy, electronic, digital or otherwise), apparatus, computers, cell phones, tablets, personal data assistants (PDAs) and similar devices, equipment, keys, access cards, credit cards, and other physical property, whether or not pertaining to, constituting or containing Proprietary Information, which are furnished to the Executive by the Company, to which the Executive otherwise has access, or which are produced by the Executive in connection with the Executive's employment are, will be and remain the sole property of the Company. The Executive will return to the Company all such materials and property (and all copies) as and when requested by the Company. In any event, the Executive will return all such materials and property in the Executive's possession, custody or control immediately upon any termination of the Executive's employment for any reason (whether terminated by the Company or the Executive). The Executive will not retain with the Executive any such material or property or any copies thereof after such termination except as expressly authorized by the Company in writing (signed by a duly authorized representative of the Board).

d. Ownership and Assignment of Inventions and Developments.

   i. The Executive has made and will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, processes, modifications, improvements, algorithms, software code, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works, and other works of authorship (collectively "**Developments**"), whether or not patentable or copyrightable, created, made, conceived or reduced to practice by the Executive (alone or jointly with others) or under the Executive's direction during the Executive's employment with the Company (whether under this Agreement or any other prior or subsequent employment with the Company). The Executive acknowledges that all work performed by the Executive during his/her employment or any other service relationship with the Company has been, is and will be on a "work for hire" basis, and the Executive has assigned and hereby does assign and transfer (and to the extent any such assignment cannot be made at present, will and assign and transfer) to the Company, its successors and assigns, all of the Executive's right, title and interest in all Developments described above, that (A) relate to the business of the Company or any of the products, systems or services being researched, developed, manufactured, marketed, provided or sold by the Company or which may be used with such products, systems or services; or (B) result from tasks assigned or delegated to the Executive by the Company; or (C) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("**Company-Related Developments**"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("**Intellectual Property Rights**").

ii. To preclude any possible uncertainty, the Executive has set forth on Exhibit A a complete list of Developments that the Executive has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of the Executive's employment or other service relationship with the Company that the Executive considers to be the Executive's property or the property of third parties and that the Executive wishes to have excluded from the scope of this Agreement ("**Prior Inventions**"). If disclosure of any such Prior Inventions would cause the Executive to violate any prior confidentiality agreement, the Executive understands that the Executive is not to list such Prior Inventions in Exhibit A but is only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. The Executive has also listed on Exhibit A all patents and patent applications in which the Executive is named as an inventor, other than those which have been assigned to the Company ("**Other Patent Rights**"). If no such disclosure is attached, the Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of the Executive's employment with the Company, the Executive has incorporated or incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, the Executive hereby grants to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, the Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent (from a duly authorized member of the Board).

iii. This Agreement does not obligate the Executive to assign to the Company any Development which, in the sole judgment of the Company reasonably exercised, was or is developed entirely on the Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of the Executive's employment (or other relationship) with the Company, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, the Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. The Executive understand that, to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 7 will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. The Executive also hereby waives all claims to any moral rights or other special rights which the Executive may have or accrue in any Company-Related Developments.

iv. Both during and after the Executive's employment with the Company, the Executive will cooperate fully with the Company with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. The Executive will sign, both during and after the Term, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, the Executive hereby irrevocably designates and appoints each officer of the Company and the Chairman of the Board as the Executive's agent and attorney-in-fact to execute any such papers on the Executive's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development.

e. <u>Non-Competition</u>.

i. During the Executive's employment with the Company and during the twelve (12) month period immediately after the termination of such employment (regardless of the reason for the termination, and regardless of whether such termination is by the Executive or the Company) (the "**Non-Competition Period**"), the Executive shall not (without the prior written consent of the Company, in writing signed by a duly authorized representative of the Board), directly or indirectly, whether on the Executive's own behalf or on behalf of any person or entity, whether as an owner, partner, shareholder, consultant, agent, employee, director, advisor, volunteer, co-venturer or otherwise, engage, participate, assist or invest in, or be employed or engaged with or by any person or entity engaged in, any Competing Business (as hereinafter defined).

ii. For purpose of the foregoing, a person or entity is or is engaged in a **Competing Business**" is if he/she or it is engaged (or actively seeking or planning to engage) in any way in the business of developing, manufacturing, producing, offering, selling, marketing, providing, distributing, performing, licensing, supporting, or soliciting business for any product, service or system that is competitive with, the same as, similar to, performs, serves or provides a similar function as, or can be used as a reasonable or competitive substitute or replacement for, any product, service or system offered, sold, provided, marketed, distributed, developed, manufactured, produced, performed, supported, licensed, or that is being developed or is the subject of active planning by the Company at any time during my employment with the Company (each a "**Competitive Product or Service**")

iii. The foregoing restrictions under this Section 7(e) shall be limited to (A) the United States and (B) those foreign countries in which the Company (itself or through it subsidiaries, affiliates or related entities) develops, produces, manufactures, performs, provides, sell or solicits business for its products, services or systems at any time during the Executive's employment with the Company. Nothing herein shall preclude the Executive from owning up to one percent (1%) of the outstanding stock of a publicly held corporation which is engaged in a Competing Business.

f. Non-Solicitation. During the Executive's employment with the Company and during the twelve (12) month period immediately after the termination of such employment (regardless of the reason for the termination, and regardless of whether such termination is by the Executive or the Company) (the "**Non-Solicitation Period**"), the Executive shall not (without the prior written consent of the Company, in writing signed by a duly authorized representative of the Board), directly or indirectly, whether on the Executive's own behalf or on behalf of any person or entity:

i. (A) solicit, induce, encourage, persuade, or procure any customer, active prospective customer or supplier of the Company to terminate, reduce, postpone, not enter, divert, or otherwise modify adversely to the Company its business relationship or dealings with or patronage of the Company, or otherwise interfere with such customer's, prospect's or contracts, relationship or dealings with the Company, (B) contact or solicit any such customer, prospective customer or supplier of the Company in connection with a Competing Business and/or any Competitive Product or Service, or (C) sell, provide, perform, offer, accept or promote any service, product or system to any such customer or prospective customer of the Company that is a Competitive Product or Service or that otherwise competes with the Company or any of its products, services or systems; or

ii. (A) hire, employ, engage or solicit for hire, employment or engagement any officer, director, executive, employee, consultant, contractor or agent of the Company (or any person who was employed or engaged by the Company at any time during the final six (6) months of the Executive's employment with the Company); or (B) solicit, induce, encourage, persuade or procure any employee, consultant, contractor, vendor, supplier, distributor or agent of the Company to cease, give up, terminate, limit, postpone, divert, reduce or not to commence or continue his/her or its employment, engagement, business, dealings, or other business relationship with the Company, or otherwise interfere with such person or entity's contract or business relationship with the Company.

g. Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party that restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business in a manner that would interfere with or inhibit the Executive's ability to perform the Executive's duties to the Company. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

h. Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority that relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable, pre-approved out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 7(h).

i. Reasonableness of Restrictive Covenants. The Executive understands, acknowledges and agrees that he is being employed in a significant, senior and high-level position of the utmost trust and confidence; that his services to the Company are special, unique and of extraordinary value; and that, by virtue of his employment, position, duties and responsibilities, he will be provided with, have access to, learn, develop and use (all on the Company's behalf) the Company's trade secrets and its other Proprietary Information, has duties and responsibilities to develop, enhance and preserve the Company's customer and other business relationships and good will, and will derive significant personal value and opportunities by virtue of such information, employment, duties, responsibilities and access. The Executive further understands, acknowledges and agrees that the covenants, obligations and restrictions contained in Sections 7(a)-(f) (the "**Restrictive Covenants**") (i) are intended to protect the Company's legitimate business interests including, without limitation, its Proprietary Information, customer, employee and business relationships, and goodwill; and agrees that such obligations and restrictions (and the scope of precluded activities, geographic scope and duration thereof) are necessary, reasonable and appropriate for this purpose; (ii) were and are a material condition and inducement for the Company to employ the Executive, to enter into (and to perform the Company's obligations under) this Agreement and to provide the Executive with Proprietary Information; and (iii) are in consideration of and ancillary to the Company's agreement to provide the Executive with such Proprietary Information and of the Executive's employment with the Company under this Agreement and the additional good and valuable consideration and opportunities provided to the Executive as set forth in this Agreement.

j. Enforcement; Injunctive Relief. The Executive also understands, acknowledges and agrees that (i) it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Restrictive Covenants, that the Company would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach; (ii) without the restrictions set forth in the Restrictive Covenants, the Executive would be in a position to compete unfairly with the Company, and (iii) the Executive's education and experience are such that the restrictions set forth in the Restrictive Covenants will not interfere with the Executive's ability to earn a livelihood nor impose an undue or unreasonable hardship on the Executive. Accordingly, the Executive agrees and consents that, in addition to all other remedies (in law or equity, for monetary damages or otherwise), the Company shall be entitled to temporary, preliminary and permanent injunctive relief or other appropriate equitable relief to restrain or enjoin any such breach or threatened breach without showing or proving any actual damage to the Company; and that, notwithstanding anything to the contrary in Section 8 below, the Company may seek any such temporary, preliminary or permanent injunctive relief in and from a court of competent jurisdiction. In any such action to enforce any of the Continuing Obligations, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs.

k. Severability. Each covenant, restriction, provision and sub-part of this Section 7 (including, without limitation each of sub-sections 7(a)-(f) and the sub-parts thereof) is and is intended to be a separate and severable covenant and restriction. If any covenant, restriction, portion or provision of this Section 7 shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction, then it is the intention and the desire of the Parties that such covenant, restriction, portion or provision shall be severed from the remainder of this Agreement and the remainder of this Agreement and this Section 7, and the application of such covenant, restriction, portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby and shall be valid, enforceable and enforced to the fullest extent permitted by law. In the event that any covenant, restriction, portion or provision of this Section 7 is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive duration, geographic scope, or scope of activities covered/prohibited, it is the intent of the Parties (and the Parties request) that such court or arbitrator shall (unless otherwise prohibited by law) modify or interpret such restriction, covenant, provision or portion so that it will be deemed to extend only over the maximum duration, geographic scope and scope of activities as to which it may be enforceable and shall be so enforced. It is the intent of the Parties that all of the covenants, restrictions, portions and provisions of this Section 7 shall be enforceable to the full extent permitted by applicable law.

l. Protected Disclosures and Other Protected Action; Defend Trade Secret Act Notice. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenant Agreement for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

8. Clawback Rights. Any incentive compensation (including both cash and equity compensation) payable under this Agreement shall be subject to any Company clawback or recoupment policy in effect, including but not limited to the Company's Nasdaq Rule 5608 Compensation Clawback Policy Applicable to Executive Officers, as such policy may be amended from time to time.
9. Arbitration of Disputes

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a. Arbitration Generally. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment, the terms and conditions of such employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination or retaliation, whether based on race, religion, national origin, sex, gender, age, disability, sexual orientation, or any other protected class under applicable law) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the JAMS in Orlando, Florida in accordance with the JAMS Employment Arbitration Rules and Procedures (currently available at www.jamsadr.com/rules-employment-arbitration) (the "**JAMS Rules**"), including, but not limited to, the rules and procedures applicable to the selection of arbitrators. If any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to (or compelled to) arbitration subject to such other person or entity's consent or agreement. The Executive understands and agrees that the Executive may only bring claims in the Executive's individual capacity, and not as a plaintiff or class member in any purported class or collective action or proceeding or any purported representative action proceeding. The Executive further understands and agrees that, by signing this Agreement, the Company and the Executive are waiving and giving up any right they may have to a jury trial on all claims they may have against each other. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate including, without limitation, relief sought under Section 7 or any of the other Continuing Obligations; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.

b. Arbitration Fees and Costs. If the Executive initiates a claim in arbitration, the Executive shall be required to pay any applicable initial arbitration filing fee which, if such arbitration is administered by JAMS, shall be to the extent provided by the JAMS Rules (and include the JAMS initial case management fee); provided, however, such fees will be capped at the lesser of the applicable fees required under the JAMS Rules or the amount the Executive would have been charged by a court in the Executive's state of residence to file a judicial complaint for the same claims in court. The Company shall be responsible for any employer/Company filing or case management fee (including any remaining balance of the individual/employee filing/case management fee above the cap) and any other fees or costs charged by JAMS and the arbitrator. However, to the extent permissible under law and following or as part of the arbitrator's ruling on the matter, the arbitrator may rule that the arbitration fees and costs be distributed or apportioned in an alternative manner. Each party shall be entitled to be represented by their own independent attorneys in connection with any arbitration hereunder, and each party shall pay his/her or its own attorneys' fees and costs; provided, however, if any party prevails on a statutory or contractual claim that affords the prevailing party attorneys' fees or costs, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party to the extent permitted by law.

10. Consent to Jurisdiction

. To the extent that any court action is permitted consistent with this Agreement, the parties hereby consent to the jurisdiction of the state courts of Florida and the United States District Court for the Middle District of Florida. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

1. Indemnification

. The Company and the Executive hereby agree to execute the Company's standard indemnification agreement for senior executives.

1. Integration

. Except as otherwise provided, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes in all respects all prior agreements between the parties concerning the subject matter hereof (including, without limitation, compensation, severance pay and benefits) and supersedes in all respects all prior agreements between the parties concerning the subject matter hereof, provided that the Equity

Documents, Prior Equity Agreements, any indemnification agreement, and any other agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be superseded by this Agreement (including as provided in Section 7 above) and the Executive acknowledges and agrees that any such agreements remain in full force and effect.

1. Withholding

; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect or consequences associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

1. Enforceability

. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

1. Survival

. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

1. Waiver

. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

1. Notices

. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board. During the Term, any notice, requests, demand and other communications to the Executive shall be sufficient if in writing and delivered via email to the Executive's applicable Company email address.

1. Amendment

. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

1. Effect on Other Plans and Agreements

. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 7 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 4 and Section 5 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to Section 4 and Section 5 of this Agreement.

1. Governing Law

. This is a Florida contract and shall be construed under and be governed in all respects by the laws of the State of Florida, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eleventh Circuit.

1. Assignment

. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the Executive’s consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction or event, then the Executive shall not be entitled to any Severance Pay and Benefits pursuant to Section 4 or any Change in Control Payment and Benefits pursuant to Section 5. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive’s and the Company’s respective successors, executors, administrators, heirs and permitted assigns.

1. Counterparts

. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

1. Gender Neutral

. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

Signature Page(s) Follows.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

IZEA Worldwide, Inc.

By:
Its:

EXECUTIVE

Edward H. Murphy

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("**Agreement**") is made by and between IZEA Worldwide, Inc., a Nevada corporation (the "**Company**"), and Ryan S. Schram (the '**Executive**"), and is effective as of September 1, 2023 (the "**Effective Date**").

WHEREAS, effective as of the Effective Date, the parties intend this Agreement to replace in all respects any other prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation any offer letter, employment agreement or severance agreement, excluding any applicable stock award agreements between Executive and Company ("**Prior Equity Agreements**"); and

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. <u>Employment.</u>

(a) <u>Term</u>. The term of the Executive's employment with the Company will commence on the Effective Date and will continue for an initial term of three (3) years (the "**Initial Term**"), unless earlier terminated as outlined herein. This Agreement will automatically renew for successive one-year periods (each extension, a "**Renewal Term**"), on the same terms and conditions as set forth in this Agreement (as modified in writing from time to time by the parties) unless either party provides written notice to the other party of its desire to not renew this Agreement at least ninety (90) days before the end of the Initial Term or any Renewal Term, as applicable, or unless earlier terminated as provided below. The Initial Term plus any Renewal Terms will be included in the "**Term**."

(b) <u>Position and Duties</u>. During the Term, the Executive shall serve as the President and Chief Operating Officer of the Company, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the "**Board**"), <u>provided</u> that such duties are consistent with the Executive's position or other positions that the Executive may hold from time to time. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior written approval of the Board, as long as such services and activities are disclosed to the Board, or engage in religious, charitable or other community activities, and so long as all of the foregoing do not materially interfere with the Executive's performance of the Executive's duties or obligations to the Company (whether under this Agreement, the Restrictive Covenant, any other agreement, applicable law or otherwise). To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any or its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason and by whichever party. The Executive shall execute any documents in reasonable form as may be requested by the Company to confirm or effectuate any such resignations.

2. <u>Compensation and Related Matters.</u>

(a) Base Salary. The Executive's initial base salary rate shall be based on the annualized rate of $400,000.00 per annum. The Executive's base salary shall be subject to annual review by the Compensation Committee of the Board (the "**Compensation Committee**") and adjusted as determined by the Board or the Compensation Committee in its sole discretion. The Executive's base salary in effect at any given time is referred to herein as "**Base Salary**." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices and schedule for senior executives.

(b) Executive Bonus. The Executive shall be eligible to receive quarterly and annual bonuses as determined by the Board or the Compensation Committee in its discretion ("**Executive Bonus**"). The Executive's Executive Bonus opportunity for fiscal year 2023 shall remain unchanged. Beginning with fiscal year 2024, the Executive's target Executive Bonus shall be fifty percent (50%) of the Executive's Base Salary. The actual amount of the fiscal year 2024 Executive Bonus may be higher or lower than target based on the performance metrics communicated to Executive by the Company. Thereafter, the Executive's target Executive Bonus for future fiscal years shall be in such percentage as determined from time to time by the Board or Compensation Committee in its discretion, but in no case less than fifty percent (50%) unless agreed upon by the Executive in writing. The actual amount of the Executive's Executive Bonus, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of the applicable Executive Bonus Plan that may be in effect from time to time. Except as otherwise provided herein or in any applicable Executive Bonus Plan, to earn any Executive Bonus in a given measurement period, the Executive must be employed by the Company in good standing on the day such Executive Bonus is paid. Subject to the foregoing, Executive Bonus shall be paid in cash to the Executive immediately after filing the Form 10-Q for the quarter or Form 10-K for the year to which such Executive Bonus relates. The Executive's eligibility and entitlement to a 2024 bonus will be determined by terms and conditions of the Company's Executive Bonus Plan, effective January 1, 2024.

(c) Long-Term Incentive Compensation. With respect to fiscal year 2024 and each fiscal year thereafter during the Term, the Executive will be eligible for long-term incentive awards commensurate with the Executive's position and performance, in the discretion of the Board and the Compensation Committee (an "**LTI Award**"). For fiscal year 2023, the Executive's long-term incentive award will be in the form of four (4) restricted stock unit awards covering the Company's common stock. Each such award will have a nominal value equal to $200,000 divided by four (4), rounded up to the nearest whole cent ("**Quarterly Nominal Value**"). Each such award will cover a number of units determined by dividing the Quarterly Nominal Value by the closing stock price of the Company's common stock on the grant date of the relevant award, rounded up to the nearest whole unit. The first such award will be granted in September 2023, subject to the Executive's continued employment with the Company through such grant date. The second, third and fourth such awards will be granted on the first, second and third, respectively, dates following September 2023 on which the Company regularly grants equity awards to its employees, subject to the Executive's continued employment with the Company through the relevant grant date. Each such award will vest over three years following its grant date, one-third upon 12 months of the grant date, and quarterly after that, consistent with the vesting schedule for restricted stock unit awards granted to the Company's employees generally, subject to the Executive's continued employment with the Company through the relevant vesting date. The Executive's LTI Award for fiscal years after fiscal year 2023 shall be in such amount as determined from time to time by the Board and Compensation Committee in its discretion, but in no case less than 50% of the Base Salary, unless agreed upon by the Executive. Subject to the approval of the Board and/or the Compensation Committee, as required pursuant to the Company's organizational documents, the Company will grant such LTI Award to the Executive in the form of time-based restricted stock units as determined by the Board and/or the Compensation Committee in its/their discretion. The LTI Award, including the four (4) restricted stock unit awards described above with respect to fiscal year 2023, shall be subject to the provisions of the Company's Equity Incentive Plan ("**Plan**") and the applicable award agreement(s) thereunder ("**Stock Agreement**"), pursuant to which they are granted, including but not limited to the vesting schedule, acceleration provisions and employment termination provisions of the Plan and the Stock Agreement(s), each as may be amended from time to time in accordance with their terms. The Plan and the Stock Agreement(s) are referred collectively to as the "**Equity Documents**." The size, type, and terms of any LTI Awards for fiscal year 2024 and each fiscal year thereafter during the Term shall be determined by the Compensation Committee or by the Board based on a recommendation made by the Compensation Committee in its discretion.

(d) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(e) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms and conditions of such plans. The Company's employee benefit plans may be modified or terminated at any time in the Company's sole discretion.

(f) Paid Time Off. The Executive shall be entitled to five (5) weeks of paid time-off in accordance with the Company's applicable paid vacation policy for executives, as may be in effect and/or which may be modified or adjusted from time to time. The Executive shall also be entitled to all paid holidays given by the Company to its U.S. employees. Unless otherwise required by applicable Company policy or applicable law, Executive shall be permitted to carryover a maximum of five (5) accrued but unused vacation days remaining at the end of a given year.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 120 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether, during any period, the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall, for the purposes of this Agreement, be deemed to be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of whether the Executive is disabled shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "**Cause**" shall mean any of the following: (i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the Board, (B) dishonesty to the Board, with respect to any material matter, or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes; (ii) the commission by the Executive of, or plea of guilty or no lo contendere to, (A) any felony or (B) a misdemeanor involving moral turpitude (as defined under applicable state or federal criminal statutes), deceit, dishonesty or fraud; (iii) any conduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or material reputational harm to the Company or any of its subsidiaries and affiliates if the Executive were to continue to be employed in the Executive's position; (iv) continued unsatisfactory performance or non-performance by the Executive of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) that has continued for more than 30 days following written notice of such unsatisfactory performance or non-performance from the Board; (v) a breach by the Executive of any of the provisions contained in Section 7 of this Agreement, the Restrictive Covenants Agreement (as defined below) or any other Continuing Obligations (as defined below); (vi) a breach by the Executive of any fiduciary duty and/or duty of loyalty to the Company or any of its subsidiaries or affiliates; (vii) a material violation by the Executive of the Company's written employment policies (including, but not limited to, any violation of any written equal employment opportunity policy or any written policy prohibiting discrimination, harassment or retaliation) or corporate governance policies; or (viii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. Prior to any termination for Cause, Executive will be given five (5) business days written notice specifying the alleged Cause event and, if reasonable to accommodate in the situation, an opportunity for the Executive to address the Board on the alleged Cause event before the Board.

(d) Termination by the Company Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason including, but not limited to, Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean that the Executive has complied with and completed all steps of the "**Good Reason Process**" (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each a "**Good Reason Condition**"): (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary, except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or (iii) a material breach of this Agreement by the Company.

The "**Good Reason Process**" means and consists of the following steps: (i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "**Cure Period**"), to remedy the Good Reason Condition; (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and (v) the Executive terminates the Executive's employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice that shall indicate the specific termination provision in this Agreement being relied upon.

(g) Date of Termination. "**Date of Termination**" shall mean: (i) if the Executive's employment is terminated due to the Executive's death, the date of the Executive's death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in or constitute a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason and by whichever party, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned but not yet paid through the Date of Termination; (ii) payment of a pro-rata portion of the Executive Bonus, if any, that was earned but not yet paid as of the Date of Termination; (iii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iv) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, including any accrued but unused vacation, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "**Accrued Benefits**").

(b) Termination as a Result of Death or Permanent Disability. In the event that Executive's employment is terminated as a result of Executive's death or Disability, Executive (or Executive's estate or personal representative, as applicable) shall be entitled only to:

(i) the Accrued Obligations;

(ii) Payment of an amount equal to the Executive Bonus for the current fiscal year, pro rated based on actual performance and payable in accordance with the Executive Bonus Plan; and

(iii) Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

(iv) Notwithstanding the foregoing, Executive shall have no further rights to any compensation or any other benefits under this Agreement

(c) Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), each outside the Change in Control Period (as defined below), then, in addition to the Accrued Benefits, and subject to (i) the Executive signing, not revoking and complying with a separation agreement, in a form and manner satisfactory to the Company, which shall include, among other provisions, a general release of claims against the Company and all related persons and entities, confidentiality, return of property and non-disparagement obligations, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount (as defined below) shall immediately cease (the "**Separation Agreement and Release**") and (ii) the Separation Agreement and Release becoming effective and irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), the Company will pay or provide (as applicable) the following (collectively, the "**Severance Pay and Benefits**"):

(i) the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary (the "**Severance Amount**"). Notwithstanding the foregoing, if the Executive breaches any of the Continuing Obligations (as defined below), all payments of the Severance Amount may be terminated by the Company without affecting the other provisions of the Separation Agreement and Release; and

(ii) if the Executive was participating in the Company's group health, dental and/or vision plans immediately prior to the Date of Termination and properly elects to continue health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), then, subject to the Executive's copayment of the premium amounts at the applicable active employees' rate, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of the following: (i) the twelve-month anniversary of the Date of Termination; (ii) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or otherwise through other employment; or (iii) the cessation of the Executive's continuation coverage rights under COBRA. Notwithstanding the foregoing, if the Company determines at any time that its payments pursuant to this paragraph may be taxable income to the Executive or that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company may convert such payments to payroll payments directly to the Executive for the time period specified above; and such payments shall be subject to tax-related deductions and withholdings and shall be paid on the Company's regular payroll dates. Any other premiums or costs of COBRA continuation coverage not provided above (including, without limitation, for any COBRA coverage after the time period set forth above) shall be at the sole expense of the Executive.

(iii) the Company shall pay the Executive an amount equal to the Executive Bonus for the current fiscal year, pro-rated based on actual performance and payable in accordance with the Executive Bonus Plan.

(iv) Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

(v) The amounts payable under this Section 4(c)(i) and 4(c)(ii) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. The Company shall pay the amounts contemplated by Section 4(c)(ii) each month at the time the Company normally pays the Company's group health provider on behalf of its remaining active employees, except as otherwise provided in Section 4(c)(ii) if such payments are made directly to the Employee. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment and Benefits. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. The provisions of this Section 5 shall apply in lieu of, and expressly supersede, the provisions of Section 4(c) if (i) the Executive's employment is terminated either by the Company without Cause as provided in Section 3(d) or by the Executive for Good Reason as provided in Section 3(e) and (ii) the Date of Termination occurs upon, within three (3) months prior to or within twelve (12) months after the occurrence of the first event constituting a Change in Control (such period, the "**Change in Control Period**"). These provisions shall terminate and be of no further force or effect immediately after the end of the Change in Control Period.

(a) Change in Control. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Benefits, and subject to the Executive signing, not revoking and complying with the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the Company will pay or provide (as applicable) the following (collectively, the "**Change in Control Payment and Benefits**"):

(i) the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher);

(ii) if the Executive was participating in the Company's group health, dental and/or vision plans immediately prior to the Date of Termination and properly elects to continue health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), then, subject to the Executive's copayment of premium amounts at the applicable active employee's rate, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of the following: (i) the twelve (12) month anniversary of the Date of Termination; (ii) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or otherwise through other employment; or (iii) the cessation of the Executive's continuation coverage rights under COBRA. Notwithstanding the foregoing, if the Company determines at any time that its payments pursuant to this paragraph may be taxable income to the Executive or that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company may convert such payments to payroll payments directly to the Executive for the time period specified above; and such payments shall be subject to tax-related deductions and withholdings and shall be paid on the Company's regular payroll dates. Any other premiums or costs of COBRA continuation coverage not provided above (including, without limitation, for any COBRA coverage after the time period set forth above) shall be at the sole expense of the Executive.

(iii) the Company shall pay the Executive an amount equal to the Executive Bonus for the current fiscal year, pro rated based on target performance and payable in accordance with the Executive Bonus Plan.

(iv) Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

(v) The amounts payable under this Section 5(a)(i) and Section 5(a)(ii) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) <u>Additional Limitation</u>.

(i) Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "**Aggregate**

Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A- 24(b) or (c).

(ii) For purposes of this Section 5(b), the "**After Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, absent manifest error or omission.

(c) Definitions. For purposes of this Section 5, the term "**Change in Control**" shall mean a "Sale Event" as defined in the Company's 2011 Equity Incentive Plan, as amended.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). This right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Restrictive Covenants and Continuing Obligations

. For purposes of this Section 7, unless otherwise expressly indicated, references to the Company shall include, individually and collectively, the Company, its subsidiaries and affiliates, and its and their predecessors, successors and assigns. For purposes of this Agreement, the Executive's obligations, covenants and restrictions in this Section 7 and those that arise in any other agreement relating to (or containing provisions relating to) confidentiality, assignment of inventions, non-competition, non-solicitation and/or any other restrictive covenants, and/or that arise, under applicable law, shall collectively be referred to as the "**Continuing Obligations.**" For avoidance of doubt, this Section 7 is in addition to and supplements (and is supplemented by) and does not supersede or limit (and is not superseded or limited by) any such other agreements and Continuing Obligations.

(a) Proprietary Information. The Executive acknowledges, understands and agrees that, in the course of the Executive's employment he will be informed of, provided with, utilize on the Company's behalf, develop and will have access to information concerning the Company and its businesses, customers, business relationships, plans, technology, trade secrets, and financial, business and legal affairs which the Company has not released to the general public, is not generally known to the public or in the industry, has been and will be developed by the Company at great expense, is a valuable competitive asset of the Company, constitutes a "trade secret" under applicable law and/or the disclosure of which or use of which (other than for the benefit of the Company) could result in a competitive disadvantage to the Company or otherwise could negatively affect the Company (collectively, "**Proprietary Information**"). The Executive understands that all Proprietary Information (and all materials that constitute, comprise or contain such information) is and will be the exclusive property of the Company. By way of illustration and not limitation, Proprietary Information includes such information and materials regarding or constituting: (i) *corporate, legal and financial information*, including plans, strategies, developments, methods, policies, resolutions, negotiations, contracts, litigation, claims, performance data, debt arrangements, equity structure, investors and holdings, and purchasing, pricing and sales data; (ii) *customer and client information,* including prices, terms and conditions of the Company's arrangements or contracts with its clients and customers, the identities, needs, preferences and requirements of the Company's clients and customers and their use of the Company's systems, products and/or services, the nature, extent and particulars of the business dealings between the Company and its clients and customers, client and customer lists and contact information, and any other information provided to the Company by its clients and customers under obligation of confidentiality; (iii) *marketing and performance information*, including strategies, methods, pricing policies and price lists, cost and performance data, financial results, planning data, customers, clients and prospects contacts, lists and preferences, referral sources and information, vendor and supplier lists, contacts and preferences, and market or sales analyses, projections, reports, or forecasts; (iv) *operational, technological, product and service information*, including plans, specifications, manuals, forms, templates, software, source code, object code, designs, research, developments, methods, procedures, formulas, algorithms, discoveries, inventions, improvements, intellectual property, innovations, concepts, ideas, and system, product and/or service specifications, features, advantages, disadvantages and/or limitations; and (v) *personnel information*, including personnel lists, reporting or organizational structure, resumes, personnel data, compensation structure, performance evaluations and termination arrangements or documents. Proprietary Information also includes (x) any and all information received in confidence by the Company from its clients, customers, distributors or suppliers or other third parties; (y) any and all information which the Company instructs the Executive to keep confidential and/or not to discuss with or disclose to anyone outside the Company (including customers); and (z) any and all information received in confidence by the Company from its customers or suppliers or other third parties. Notwithstanding the foregoing, Proprietary Information does not include any information that is in the public domain, unless due to breach of the Executive's duties and restrictions under this Section 7 hereof or otherwise owing to the Company.

(b) Confidentiality. The Executive understands, acknowledges and agrees that the Executive's employment creates a relationship of confidence and trust between the Executive and the Company with respect to all Proprietary Information; and that the Company is hereby agreeing to provide the Executive with access Proprietary Information as and in consideration of the Executive's agreement to the Executive's restrictions, covenants and obligations under this Section 7. At all times, both during and after the Executive's employment with the Company, the Executive will keep in confidence and trust all such Proprietary Information, and will not use or disclose any such Proprietary Information without the written consent of the Board, except as may be authorized by the Board or necessary in the ordinary course of performing the Executive's duties for the Company or as may be required by law or legal process. The Executive agrees to take reasonable security measures to prevent accidental or unauthorized use or disclosure of Proprietary Information.

(c) Documents, Records, and Other Company Property. All documents, records, files, data, computer files, software, all copies of the foregoing (in any form or format, whether hard-copy, electronic, digital or otherwise), apparatus, computers, cell phones, tablets, personal data assistants (PDAs) and similar devices, equipment, keys, access cards, credit cards, and other physical property, whether or not pertaining to, constituting or containing Proprietary Information, which are furnished to the Executive by the Company, to which the Executive otherwise has access, or which are produced by the Executive in connection with the Executive's employment are, will be and remain the sole property of the Company. The Executive will return to the Company all such materials and property (and all copies) as and when requested by the Company. In any event, the Executive will return all such materials and property in the Executive's possession, custody or control immediately upon any termination of the Executive's employment for any reason (whether terminated by the Company or the Executive). The Executive will not retain with the Executive any such material or property or any copies thereof after such termination except as expressly authorized by the Company in writing (signed by a duly authorized representative of the Board).

(d) Ownership and Assignment of Inventions and Developments.

(i) The Executive has made and will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, processes, modifications, improvements, algorithms, software code, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works, and other works of authorship (collectively "**Developments**"), whether or not patentable or copyrightable, created, made, conceived or reduced to practice by the Executive (alone or jointly with others) or under the Executive's direction during the Executive's employment with the Company (whether under this Agreement or any other prior or subsequent employment with the Company). The Executive acknowledges that all work performed by the Executive during his/her employment or any other service relationship with the Company has been, is and will be on a "work for hire" basis, and the Executive has assigned and hereby does assign and transfer (and to the extent any such assignment cannot be made at present, will and assign and transfer) to the Company, its successors and assigns, all of the Executive's right, title and interest in all Developments described above, that (A) relate to the business of the Company or any of the products, systems or services being researched, developed, manufactured, marketed, provided or sold by the Company or which may be used with such products, systems or services; or (B) result from tasks assigned or delegated to the Executive by the Company; or (C) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("**Company-Related Developments**"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("**Intellectual Property Rights**").

(ii) To preclude any possible uncertainty, the Executive has set forth on Exhibit A a complete list of Developments that the Executive has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of the Executive's employment or other service relationship with the Company that the Executive considers to be the Executive's property or the property of third parties and that the Executive wishes to have excluded from the scope of this Agreement ("**Prior Inventions**"). If disclosure of any such Prior Inventions would cause the Executive to violate any prior confidentiality agreement, the Executive understands that the Executive is not to list such Prior Inventions in Exhibit A but is only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. The Executive has also listed on Exhibit A all patents and patent applications in which the Executive is named as an inventor, other than those which have been assigned to the Company ("**Other Patent Rights**"). If no such disclosure is attached, the Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of the Executive's employment with the Company, the Executive has incorporated or incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, the Executive hereby grants to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, the Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent (from a duly authorized member of the Board).

(iii) This Agreement does not obligate the Executive to assign to the Company any Development which, in the sole judgment of the Company reasonably exercised, was or is developed entirely on the Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of the Executive's employment (or other relationship) with the Company, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, the Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. The Executive understand that, to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 7 will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. The Executive also hereby waives all claims to any moral rights or other special rights which the Executive may have or accrue in any Company-Related Developments.

(iv) Both during and after the Executive's employment with the Company, the Executive will cooperate fully with the Company with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. The Executive will sign, both during and after the Term, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, the Executive hereby irrevocably designates and appoints each officer of the Company and the Chairman of the Board as the Executive's agent and attorney-in-fact to execute any such papers on the Executive's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development.

(e) Non-Competition.

(i) During the Executive's employment with the Company and during the twelve (12) month period immediately after the termination of such employment (regardless of the reason for the termination, and regardless of whether such termination is by the Executive or the Company) (the "**Non-Competition Period**"), the Executive shall not (without the prior written consent of the Company, in writing signed by a duly authorized representative of the Board), directly or indirectly, whether on the Executive's own behalf or on behalf of any person or entity, whether as an owner, partner, shareholder, consultant, agent, employee, director, advisor, volunteer, co-venturer or otherwise, engage, participate, assist or invest in, or be employed or engaged with or by any person or entity engaged in, any Competing Business (as hereinafter defined).

(ii) For purpose of the foregoing, a person or entity is or is engaged in a "**Competing Business**" is if he/she or it is engaged (or actively seeking or planning to engage) in any way in the business of developing, manufacturing, producing, offering, selling, marketing, providing, distributing, performing, licensing, supporting, or soliciting business for any product, service or system that is competitive with, the same as, similar to, performs, serves or provides a similar function as, or can be used as a reasonable or competitive substitute or replacement for, any product, service or system offered, sold, provided, marketed, distributed, developed, manufactured, produced, performed, supported, licensed, or that is being developed or is the subject of active planning by the Company at any time during my employment with the Company (each a "**Competitive Product or Service**")

(iii) The foregoing restrictions under this Section 7(e) shall be limited to (A) the United States and (B) those foreign countries in which the Company (itself or through it subsidiaries, affiliates or related entities) develops, produces, manufactures, performs, provides, sell or solicits business for its products, services or systems at any time during the Executive's employment with the Company. Nothing herein shall preclude the Executive from owning up to one percent (1%) of the outstanding stock of a publicly held corporation which is engaged in a Competing Business.

(f) Non-Solicitation. During the Executive's employment with the Company and during the twelve (12) month period immediately after the termination of such employment (regardless of the reason for the termination, and regardless of whether such termination is by the Executive or the Company) (the "**Non-Solicitation Period**"), the Executive shall not (without the prior written consent of the Company, in writing signed by a duly authorized representative of the Board), directly or indirectly, whether on the Executive's own behalf or on behalf of any person or entity:

(i) (A) solicit, induce, encourage, persuade, or procure any customer, active prospective customer or supplier of the Company to terminate, reduce, postpone, not enter, divert, or otherwise modify adversely to the Company its business relationship or dealings with or patronage of the Company, or otherwise interfere with such customer's, prospect's or contracts, relationship or dealings with the Company, (B) contact or solicit any such customer, prospective customer or supplier of the Company in connection with a Competing Business and/or any Competitive Product or Service, or (C) sell, provide, perform, offer, accept or promote any service, product or system to any such customer or prospective customer of the Company that is a Competitive Product or Service or that otherwise competes with the Company or any of its products, services or systems; or

(ii) (A) hire, employ, engage or solicit for hire, employment or engagement any officer, director, executive, employee, consultant, contractor or agent of the Company (or any person who was employed or engaged by the Company at any time during the final six (6) months of the Executive's employment with the Company); or (B) solicit, induce, encourage, persuade or procure any employee, consultant, contractor, vendor, supplier, distributor or agent of the Company to cease, give up, terminate, limit, postpone, divert, reduce or not to commence or continue his/her or its employment, engagement, business, dealings, or other business relationship with the Company, or otherwise interfere with such person or entity's contract or business relationship with the Company.

(g) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party that restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business in a manner that would interfere with or inhibit the Executive's ability to perform the Executive's duties to the Company. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(h) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority that relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable, pre-approved out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 7(h).

(i) Reasonableness of Restrictive Covenants. The Executive understands, acknowledges and agrees that he is being employed in a significant, senior and high-level position of the utmost trust and confidence; that his services to the Company are special, unique and of extraordinary value; and that, by virtue of his employment, position, duties and responsibilities, he will be provided with, have access to, learn, develop and use (all on the Company's behalf) the Company's trade secrets and its other Proprietary Information, has duties and responsibilities to develop, enhance and preserve the Company's customer and other business relationships and good will, and will derive significant personal value and opportunities by virtue of such information, employment, duties, responsibilities and access. The Executive further understands, acknowledges and agrees that the covenants, obligations and restrictions contained in Sections 7(a)-(f) (the "**Restrictive Covenants**") (i) are intended to protect the Company's legitimate business interests including, without limitation, its Proprietary Information, customer, employee and business relationships, and goodwill; and agrees that such obligations and restrictions (and the scope of precluded activities, geographic scope and duration thereof) are necessary, reasonable and appropriate for this purpose; (ii) were and are a material condition and inducement for the Company to employ the Executive, to enter into (and to perform the Company's obligations under) this Agreement and to provide the Executive with Proprietary Information; and (iii) are in consideration of and ancillary to the Company's agreement to provide the Executive with such Proprietary Information and of the Executive's employment with the Company under this Agreement and the additional good and valuable consideration and opportunities provided to the Executive as set forth in this Agreement.

(j) Enforcement; Injunctive Relief. The Executive also understands, acknowledges and agrees that (i) it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Restrictive Covenants, that the Company would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach; (ii) without the restrictions set forth in the Restrictive Covenants, the Executive would be in a position to compete unfairly with the Company, and (iii) the Executive's education and experience are such that the restrictions set forth in the Restrictive Covenants will not interfere with the Executive's ability to earn a livelihood nor impose an undue or unreasonable hardship on the Executive. Accordingly, the Executive agrees and consents that, in addition to all other remedies (in law or equity, for monetary damages or otherwise), the Company shall be entitled to temporary, preliminary and permanent injunctive relief or other appropriate equitable relief to restrain or enjoin any such breach or threatened breach without showing or proving any actual damage to the Company; and that, notwithstanding anything to the contrary in Section 8 below, the Company may seek any such temporary, preliminary or permanent injunctive relief in and from a court of competent jurisdiction. In any such action to enforce any of the Continuing Obligations, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs.

(k) Severability. Each covenant, restriction, provision and sub-part of this Section 7 (including, without limitation each of sub-sections 7(a)-(f) and the sub-parts thereof) is and is intended to be a separate and severable covenant and restriction. If any covenant, restriction, portion or provision of this Section 7 shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction, then it is the intention and the desire of the Parties that such covenant, restriction, portion or provision shall be severed from the remainder of this Agreement and the remainder of this Agreement and this Section 7, and the application of such covenant, restriction, portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby and shall be valid, enforceable and enforced to the fullest extent permitted by law. In the event that any covenant, restriction, portion or provision of this Section 7 is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive duration, geographic scope, or scope of activities covered/prohibited, it is the intent of the Parties (and the Parties request) that such court or arbitrator shall (unless otherwise prohibited by law) modify or interpret such restriction, covenant, provision or portion so that it will be deemed to extend only over the maximum duration, geographic scope and scope of activities as to which it may be enforceable and shall be so enforced. It is the intent of the Parties that all of the covenants, restrictions, portions and provisions of this Section 7 shall be enforceable to the full extent permitted by applicable law.

(l) Protected Disclosures and Other Protected Action; Defend Trade Secret Act Notice. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenant Agreement for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

8. Clawback Rights. Any incentive compensation (including both cash and equity compensation) payable under this Agreement shall be subject to any Company clawback or recoupment policy in effect, including but not limited to the Company's Nasdaq Rule 5608 Compensation Clawback Policy Applicable to Executive Officers, as such policy may be amended from time to time.

9. Arbitration of Disputes.

(a) Arbitration Generally. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment, the terms and conditions of such employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination or retaliation, whether based on race, religion, national origin, sex, gender, age, disability, sexual orientation, or any other protected class under applicable law) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the JAMS in Orlando, Florida in accordance with the JAMS Employment Arbitration Rules and Procedures (currently available at www.jamsadr.com/rules-employment-arbitration) (the "**JAMS Rules**"), including, but not limited to, the rules and procedures applicable to the selection of arbitrators. If any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to (or compelled to) arbitration subject to such other person or entity's consent or agreement. The Executive understands and agrees that the Executive may only bring claims in the Executive's individual capacity, and not as a plaintiff or class member in any purported class or collective action or proceeding or any purported representative action proceeding. The Executive further understands and agrees that, by signing this Agreement, the Company and the Executive are waiving and giving up any right they may have to a jury trial on all claims they may have against each other. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate including, without limitation, relief sought under Section 7 or any of the other Continuing Obligations; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.

(b) Arbitration Fees and Costs. If the Executive initiates a claim in arbitration, the Executive shall be required to pay any applicable initial arbitration filing fee which, if such arbitration is administered by JAMS, shall be to the extent provided by the JAMS Rules (and include the JAMS initial case management fee); provided, however, such fees will be capped at the lesser of the applicable fees required under the JAMS Rules or the amount the Executive would have been charged by a court in the Executive's state of residence to file a judicial complaint for the same claims in court. The Company shall be responsible for any employer/Company filing or case management fee (including any remaining balance of the individual/employee filing/case management fee above the cap) and any other fees or costs charged by JAMS and the arbitrator. However, to the extent permissible under law and following or as part of the arbitrator's ruling on the matter, the arbitrator may rule that the arbitration fees and costs be distributed or apportioned in an alternative manner. Each party shall be entitled to be represented by their own independent attorneys in connection with any arbitration hereunder, and each party shall pay his/her or its own attorneys' fees and costs; provided, however, if any party prevails on a statutory or contractual claim that affords the prevailing party attorneys' fees or costs, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party to the extent permitted by law.

10. Consent to Jurisdiction. To the extent that any court action is permitted consistent with this Agreement, the parties hereby consent to the jurisdiction of the state courts of Florida and the United States District Court for the Middle District of Florida. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

11. Indemnification. The Company and the Executive hereby agree to execute the Company's standard indemnification agreement for senior executives.

12. Integration. Except as otherwise provided, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes in all respects all prior agreements between the parties concerning the subject matter hereof (including, without limitation, compensation, severance pay and benefits) and supersedes in all respects all prior agreements between the parties concerning the subject matter hereof, provided that the Equity Documents, Prior Equity Agreements, any indemnification agreement, and any other agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be superseded by this Agreement (including as provided in Section 7 above) and the Executive acknowledges and agrees that any such agreements remain in full force and effect.

13. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect or consequences associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board. During the Term, any notice, requests, demand and other communications to the Executive shall be sufficient if in writing and delivered via email to the Executive's applicable Company email address.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 7 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 4 and Section 5 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to Section 4 and Section 5 of this Agreement.

20. Governing Law. This is a Florida contract and shall be construed under and be governed in all respects by the laws of the State of Florida, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eleventh Circuit.

21. Assignment. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction or event, then the Executive shall not be entitled to any Severance Pay and Benefits pursuant to Section 4 or any Change in Control Payment and Benefits pursuant to Section 5. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

23. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

Signature Page(s) Follows.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

IZEA Worldwide, Inc.

By: __
Its: __

EXECUTIVE

__
Ryan S. Schram

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("**Agreement**") is made by and between IZEA Worldwide, Inc., a Nevada corporation (the "**Company**"), and Peter J. Biere (the "**Executive**"), and is effective as of September 1, 2023 (the "**Effective Date**").

WHEREAS, effective as of the Effective Date, the parties intend this Agreement to replace in all respects any other prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation any offer letter, employment agreement or severance agreement, excluding any applicable stock award agreements between Executive and Company ("**Prior Equity Agreements**"); and

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The term of the Executive's employment with the Company will commence on the Effective Date and will continue for an initial term of three (3) years (the "**Initial Term**"), unless earlier terminated as outlined herein. This Agreement will automatically renew for successive one-year periods (each extension, a "**Renewal Term**"), on the same terms and conditions as set forth in this Agreement (as modified in writing from time to time by the parties) unless either party provides written notice to the other party of its desire to not renew this Agreement at least ninety (90) days before the end of the Initial Term or any Renewal Term, as applicable, or unless earlier terminated as provided below. The Initial Term plus any Renewal Terms will be included in the "**Term**."

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Financial Officer of the Company, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the "**Board**"), provided that such duties are consistent with the Executive's position or other positions that the Executive may hold from time to time. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior written approval of the Board, as long as such services and activities are disclosed to the Board, or engage in religious, charitable or other community activities, and so long as all of the foregoing do not materially interfere with the Executive's performance of the Executive's duties or obligations to the Company (whether under this Agreement, the Restrictive Covenant, any other agreement, applicable law or otherwise). To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any or its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason and by whichever party. The Executive shall execute any documents in reasonable form as may be requested by the Company to confirm or effectuate any such resignations.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary rate shall be based on the annualized rate of $320,000.00 per annum. The Executive's base salary shall be subject to annual review by the Compensation Committee of the Board (the "**Compensation Committee**") and adjusted as determined by the Board or the Compensation Committee in its sole discretion. The Executive's base salary in effect at any given time is referred to herein as "**Base Salary**." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices and schedule for senior executives.

(b) Executive Bonus. The Executive shall be eligible to receive quarterly and annual bonuses as determined by the Board or the Compensation Committee in its discretion ("**Executive Bonus**"). The Executive's target Executive Bonus for fiscal year 2023 shall be up to sixty percent (60%) of the Executive's Base Salary. The Executive Bonus for fiscal year 2023 shall be paid out in five (5) installments. The first two (2) installments have already been paid to Executive. The third, fourth, and fifth installments shall be paid to Executive as soon as reasonably practicable following the end of the Company's third fiscal quarter, fourth fiscal quarter and fiscal year 2023, respectively, and in any event within seventy-four (74) days following such end of such quarter or fiscal year, as applicable. The Executive's target Executive Bonus for future fiscal years shall be in such percentage as determined from time to time by the Board or Compensation Committee in its discretion, but in no case less than sixty percent (60%) unless agreed upon by the Executive in writing. The actual amount of the Executive's Executive Bonus, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of the applicable Executive Bonus Plan that may be in effect from time to time. Except as otherwise provided herein or in any applicable Executive Bonus Plan, to earn any Executive Bonus in a given measurement period, the Executive must be employed by the Company in good standing on the day such Executive Bonus is paid. Subject to the foregoing, Executive Bonus shall be paid in cash to the Executive immediately after filing the Form 10-Q for the quarter or Form 10-K for the year to which such Executive Bonus relates. The Executive's eligibility and entitlement to a 2024 bonus will be determined by terms and conditions of the Company's Executive Bonus Plan, effective January 1, 2024.

(c) Long-Term Incentive Compensation. With respect to fiscal year 2024 and each fiscal year thereafter during the Term, the Executive will be eligible for long-term incentive awards commensurate with the Executive's position and performance, in the discretion of the Board and the Compensation Committee (an "**LTI Award**"). For fiscal year 2023, the Executive's long-term incentive award will be in the form of four (4) restricted stock unit awards covering the Company's common stock. Each such award will have a nominal value equal to $236,800 divided by four (4), rounded up to the nearest whole cent ("**Quarterly Nominal Value**"). Each such award will cover a number of units determined by dividing the Quarterly Nominal Value by the closing stock price of the Company's common stock on the grant date of the relevant award, rounded up to the nearest whole unit. The first such award will be granted in September 2023, subject to the Executive's continued employment with the Company through such grant date. The second, third and fourth such awards will be granted on the first, second and third, respectively, dates following September 2023 on which the Company regularly grants equity awards to its employees, subject to the Executive's continued employment with the Company through the relevant grant date. Each such award will vest over three years following its grant date, one-third upon 12 months of the grant date, and quarterly after that, consistent with the vesting schedule for restricted stock unit awards granted to the Company's employees generally, subject to the Executive's continued employment with the Company through the relevant vesting date. The Executive's LTI Award for fiscal years after fiscal year 2023 shall be in such amount as determined from time to time by the Board and Compensation Committee in its discretion, but in no case less than 74% of the Base Salary, unless agreed upon by the Executive. Subject to the approval of the Board and/or the Compensation Committee, as required pursuant to the Company's organizational documents, the Company will grant such LTI Award to the Executive in the form of time-based restricted stock units as determined by the Board and/or the Compensation Committee in its/their discretion. The LTI Award, including the four (4) restricted stock unit awards described above with respect to fiscal year 2023, shall be subject to the provisions of the Company's Equity Incentive Plan ("**Plan**") and the applicable award agreement(s) thereunder ("**Stock Agreement**"), pursuant to which they are granted, including but not limited to the vesting schedule, acceleration provisions and employment termination provisions of the Plan and the Stock Agreement(s), each as may be amended from time to time in accordance with their terms. The Plan and the Stock Agreement(s) are referred collectively to as the "**Equity Documents**." The size, type, and terms of any LTI Awards for fiscal year 2024 and each fiscal year thereafter during the Term shall be determined by the Compensation Committee or by the Board based on a recommendation made by the Compensation Committee in its discretion.

(d) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(e) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms and conditions of such plans. The Company's employee benefit plans may be modified or terminated at any time in the Company's sole discretion.

(f) Paid Time Off. The Executive shall be entitled to five (5) weeks of paid time-off in accordance with the Company's applicable paid vacation policy for executives, as may be in effect and/or which may be modified or adjusted from time to time. The Executive shall also be entitled to all paid holidays given by the Company to its U.S. employees. Unless otherwise required by applicable Company policy or applicable law, Executive shall be permitted to carryover a maximum of five (5) accrued but unused vacation days remaining at the end of a given year.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 120 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether, during any period, the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall, for the purposes of this Agreement, be deemed to be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of whether the Executive is disabled shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101*et seq*.

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "**Cause**" shall mean any of the following: (i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the Board, (B) dishonesty to the Board, with respect to any material matter, or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes; (ii) the commission by the Executive of, or plea of guilty or no lo contendere to, (A) any felony or (B) a misdemeanor involving moral turpitude (as defined under applicable state or federal criminal statutes), deceit, dishonesty or fraud; (iii) any conduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or material reputational harm to the Company or any of its subsidiaries and affiliates if the Executive were to continue to be employed in the Executive's position; (iv) continued unsatisfactory performance or non-performance by the Executive of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) that has continued for more than 30 days following written notice of such unsatisfactory performance or non-performance from the Board; (v) a breach by the Executive of any of the provisions contained in Section 7 of this Agreement, the Restrictive Covenants Agreement (as defined below) or any other Continuing Obligations (as defined below); (vi) a breach by the Executive of any fiduciary duty and/or duty of loyalty to the Company or any of its subsidiaries or affiliates; (vii) a material violation by the Executive of the Company's written employment policies (including, but not limited to, any violation of any written equal employment opportunity policy or any written policy prohibiting discrimination, harassment or retaliation) or corporate governance policies; or (viii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. Prior to any termination for Cause, Executive will be given five (5) business days written notice specifying the alleged Cause event and, if reasonable to accommodate in the situation, an opportunity for the Executive to address the Board on the alleged Cause event before the Board.

(d) Termination by the Company Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason including, but not limited to, Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean that the

Executive has complied with and completed all steps of the "**Good Reason Process**" (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each a "**Good Reason Condition**"): (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary, except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or (iii) a material breach of this Agreement by the Company.

The "**Good Reason Process**" means and consists of the following steps: (i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "**Cure Period**"), to remedy the Good Reason Condition; (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and (v) the Executive terminates the Executive's employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice that shall indicate the specific termination provision in this Agreement being relied upon.

(g) Date of Termination. "**Date of Termination**" shall mean: (i) if the Executive's employment is terminated due to the Executive's death, the date of the Executive's death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in or constitute a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason and by whichever party, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned but not yet paid through the Date of Termination; (ii) payment of a pro-rata portion of the Executive Bonus, if any, that was earned but not yet paid as of the Date of Termination; (iii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iv) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, including any accrued but unused vacation, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the **Accrued Benefits**”).

(b) Termination as a Result of Death or Permanent Disability. In the event that Executive’s employment is terminated as a result of Executive’s death or Disability, Executive (or Executive’s estate or personal representative, as applicable) shall be entitled only to:

(i) the Accrued Obligations;

(ii) Payment of an amount equal to the Executive Bonus for the current fiscal year, pro rated based on actual performance and payable in accordance with the Executive Bonus Plan; and

(iii) Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

(iv) Notwithstanding the foregoing, Executive shall have no further rights to any compensation or any other benefits under this Agreement

(c) Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. During the Term, if the Executive’s employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive’s employment for Good Reason as provided in Section 3(e), each outside the Change in Control Period (as defined below), then, in addition to the Accrued Benefits, and subject to (i) the Executive signing, not revoking and complying with a separation agreement, in a form and manner satisfactory to the Company, which shall include, among other provisions, a general release of claims against the Company and all related persons and entities, confidentiality, return of property and non-disparagement obligations, a reaffirmation of all of the Executive’s Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount (as defined below) shall immediately cease (the “**Separation Agreement and Release**”) and (ii) the Separation Agreement and Release becoming effective and irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), the Company will pay or provide (as applicable) the following (collectively, the “**Severance Pay and Benefits**”):

(i) the Company shall pay the Executive an amount equal to nine (9) months of the Executive’s Base Salary (the “**Severance Amount**”). Notwithstanding the foregoing, if the Executive breaches any of the Continuing Obligations (as defined below), all payments of the Severance Amount may be terminated by the Company without affecting the other provisions of the Separation Agreement and Release; and

(ii) if the Executive was participating in the Company’s group health, dental and/or vision plans immediately prior to the Date of Termination and properly elects to continue health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”), then, subject to the Executive’s copayment of the premium amounts at the applicable active employees’ rate, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of the following: (i) the nine-month anniversary of the Date of Termination; (ii) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or otherwise through other employment; or (iii) the cessation of the Executive's continuation coverage rights under COBRA. Notwithstanding the foregoing, if the Company determines at any time that its payments pursuant to this paragraph may be taxable income to the Executive or that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company may convert such payments to payroll payments directly to the Executive for the time period specified above; and such payments shall be subject to tax-related deductions and withholdings and shall be paid on the Company's regular payroll dates. Any other premiums or costs of COBRA continuation coverage not provided above (including, without limitation, for any COBRA coverage after the time period set forth above) shall be at the sole expense of the Executive.

(iii) the Company shall pay the Executive an amount equal to the Executive Bonus for the current fiscal year, pro-rated based on actual performance and payable in accordance with the Executive Bonus Plan.

(iv) Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

(v) The amounts payable under this Section 4(c)(i) and 4(c)(ii) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. The Company shall pay the amounts contemplated by Section 4(c)(ii) each month at the time the Company normally pays the Company's group health provider on behalf of its remaining active employees, except as otherwise provided in Section 4(c)(ii) if such payments are made directly to the Employee. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment and Benefits. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. The provisions of this Section 5 shall apply in lieu of, and expressly supersede, the provisions of Section 4(c) if (i) the Executive's employment is terminated either by the Company without Cause as provided in Section 3(d) or by the Executive for Good Reason as provided in Section 3(e) and (ii) the Date of Termination occurs upon, within three (3) months prior to or within twelve (12) months after the occurrence of the first event constituting a Change in Control (such period, the "**Change in Control Period**"). These provisions shall terminate and be of no further force or effect immediately after the end of the Change in Control Period.

(a) Change in Control. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Benefits, and subject to the Executive signing, not revoking and complying with the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the Company will pay or provide (as applicable) the following (collectively, the "**Change in Control Payment and Benefits**"):

(i) the Company shall pay the Executive an amount equal to nine (9) months of the Executive's Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher);

(ii) if the Executive was participating in the Company's group health, dental and/or vision plans immediately prior to the Date of Termination and properly elects to continue health coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), then, subject to the Executive's copayment of premium amounts at the applicable active employee's rate, the Company shall pay to the group health plan provider, the COBRA provider or the Executive a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of the following: (i) the nine (9) month anniversary of the Date of Termination; (ii) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or otherwise through other employment; or (iii) the cessation of the Executive's continuation coverage rights under COBRA. Notwithstanding the foregoing, if the Company determines at any time that its payments pursuant to this paragraph may be taxable income to the Executive or that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company may convert such payments to payroll payments directly to the Executive for the time period specified above; and such payments shall be subject to tax-related deductions and withholdings and shall be paid on the Company's regular payroll dates. Any other premiums or costs of COBRA continuation coverage not provided above (including, without limitation, for any COBRA coverage after the time period set forth above) shall be at the sole expense of the Executive.

(iii) the Company shall pay the Executive an amount equal to the Executive Bonus for the current fiscal year, pro rated based on target performance and payable in accordance with the Executive Bonus Plan.

(iv) Vesting and exercisability of any outstanding equity compensation awards from the Company shall be determined under the terms of the Equity Documents and Prior Equity Agreements.

(v) The amounts payable under this Section 5(a)(i) and Section 5(a)(ii) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "**Aggregate Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A- 24(b) or (c).

(ii) For purposes of this Section 5(b), the "**After Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive, absent manifest error or omission.

(c) Definitions. For purposes of this Section 5, the term "**Change in Control**" shall mean a "Sale Event" as defined in the Company's 2011 Equity Incentive Plan, as amended.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). This right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. <u>Restrictive Covenants and Continuing Obligations</u>

. For purposes of this Section 7, unless otherwise expressly indicated, references to the Company shall include, individually and collectively, the Company, its subsidiaries and affiliates, and its and their predecessors, successors and assigns. For purposes of this Agreement, the Executive's obligations, covenants and restrictions in this Section 7 and those that arise in any other agreement relating to (or containing provisions relating to) confidentiality, assignment of inventions, non-competition, non-solicitation and/or any other restrictive covenants, and/or that arise, under applicable law, shall collectively be referred to as the "**Continuing Obligations.**" For avoidance of doubt, this Section 7 is in addition to and supplements (and is supplemented by) and does not supersede or limit (and is not superseded or limited by) any such other agreements and Continuing Obligations.

(a) Proprietary Information. The Executive acknowledges, understands and agrees that, in the course of the Executive's employment he will be informed of, provided with, utilize on the Company's behalf, develop and will have access to information concerning the Company and its businesses, customers, business relationships, plans, technology, trade secrets, and financial, business and legal affairs which the Company has not released to the general public, is not generally known to the public or in the industry, has been and will be developed by the Company at great expense, is a valuable competitive asset of the Company, constitutes a "trade secret" under applicable law and/or the disclosure of which or use of which (other than for the benefit of the Company) could result in a competitive disadvantage to the Company or otherwise could negatively affect the Company (collectively, "**Proprietary Information**"). The Executive understands that all Proprietary Information (and all materials that constitute, comprise or contain such information) is and will be the exclusive property of the Company. By way of illustration and not limitation, Proprietary Information includes such information and materials regarding or constituting: (i) *corporate, legal and financial information*, including plans, strategies, developments, methods, policies, resolutions, negotiations, contracts, litigation, claims, performance data, debt arrangements, equity structure, investors and holdings, and purchasing, pricing and sales data; (ii) *customer and client information,* including prices, terms and conditions of the Company's arrangements or contracts with its clients and customers, the identities, needs, preferences and requirements of the Company's clients and customers and their use of the Company's systems, products and/or services, the nature, extent and particulars of the business dealings between the Company and its clients and customers, client and customer lists and contact information, and any other information provided to the Company by its clients and customers under obligation of confidentiality; (iii) *marketing and performance information*, including strategies, methods, pricing policies and price lists, cost and performance data, financial results, planning data, customers, clients and prospects contacts, lists and preferences, referral sources and information, vendor and supplier lists, contacts and preferences, and market or sales analyses, projections, reports, or forecasts; (iv) *operational, technological, product and service information*, including plans, specifications, manuals, forms, templates, software, source code, object code, designs, research, developments, methods, procedures, formulas, algorithms, discoveries, inventions, improvements, intellectual property, innovations, concepts, ideas, and system, product and/or service specifications, features, advantages, disadvantages and/or limitations; and (v) *personnel information*, including personnel lists, reporting or organizational structure, resumes, personnel data, compensation structure, performance evaluations and termination arrangements or documents. Proprietary Information also includes (x) any and all information received in confidence by the Company from its clients, customers, distributors or suppliers or other third parties; (y) any and all information which the Company instructs the Executive to keep confidential and/or not to discuss with or disclose to anyone outside the Company (including customers); and (z) any and all information received in confidence by the Company from its customers or suppliers or other third parties. Notwithstanding the foregoing, Proprietary Information does not include any information that is in the public domain, unless due to breach of the Executive's duties and restrictions under this Section 7 hereof or otherwise owing to the Company.

(b) Confidentiality. The Executive understands, acknowledges and agrees that the Executive's employment creates a relationship of confidence and trust between the Executive and the Company with respect to all Proprietary Information; and that the Company is hereby agreeing to provide the Executive with access Proprietary Information as and in consideration of the Executive's agreement to the Executive's restrictions, covenants and obligations under this Section 7. At all times, both during and after the Executive's employment with the Company, the Executive will keep in confidence and trust all such Proprietary Information, and will not use or disclose any such Proprietary Information without the written consent of the Board, except as may be authorized by the Board or necessary in the ordinary course of performing the Executive's duties for the Company or as may be required by law or legal process. The Executive agrees to take reasonable security measures to prevent accidental or unauthorized use or disclosure of Proprietary Information.

(c) Documents, Records, and Other Company Property. All documents, records, files, data, computer files, software, all copies of the foregoing (in any form or format, whether hard-copy, electronic, digital or otherwise), apparatus, computers, cell phones, tablets, personal data assistants (PDAs) and similar devices, equipment, keys, access cards, credit cards, and other physical property, whether or not pertaining to, constituting or containing Proprietary Information, which are furnished to the Executive by the Company, to which the Executive otherwise has access, or which are produced by the Executive in connection with the Executive's employment are, will be and remain the sole property of the Company. The Executive will return to the Company all such materials and property (and all copies) as and when requested by the Company. In any event, the Executive will return all such materials and property in the Executive's possession, custody or control immediately upon any termination of the Executive's employment for any reason (whether terminated by the Company or the Executive). The Executive will not retain with the Executive any such material or property or any copies thereof after such termination except as expressly authorized by the Company in writing (signed by a duly authorized representative of the Board).

(d) Ownership and Assignment of Inventions and Developments.

(i) The Executive has made and will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, processes, modifications, improvements, algorithms, software code, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works, and other works of authorship (collectively "**Developments**"), whether or not patentable or copyrightable, created, made, conceived or reduced to practice by the Executive (alone or jointly with others) or under the Executive's direction during the Executive's employment with the Company (whether under this Agreement or any other prior or subsequent employment with the Company). The Executive acknowledges that all work performed by the Executive during his/her employment or any other service relationship with the Company has been, is and will be on a "work for hire" basis, and the Executive has assigned and hereby does assign and transfer (and to the extent any such assignment cannot be made at present, will and assign and transfer) to the Company, its successors and assigns, all of the Executive's right, title and interest in all Developments described above, that (A) relate to the business of the Company or any of the products, systems or services being researched, developed, manufactured, marketed, provided or sold by the Company or which may be used with such products, systems or services; or (B) result from tasks assigned or delegated to the Executive by the Company; or (C) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("**Company-Related Developments**"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("**Intellectual Property Rights**").

(ii) To preclude any possible uncertainty, the Executive has set forth on Exhibit A a complete list of Developments that the Executive has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of the Executive's employment or other service relationship with the Company that the Executive considers to be the Executive's property or the property of third parties and that the Executive wishes to have excluded from the scope of this Agreement ("**Prior Inventions**"). If disclosure of any such Prior Inventions would cause the Executive to violate any prior confidentiality agreement, the Executive understands that the Executive is not to list such Prior Inventions in Exhibit A but is only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. The Executive has also listed on Exhibit A all patents and patent applications in which the Executive is named as an inventor, other than those which have been assigned to the Company ("**Other Patent Rights**"). If no such disclosure is attached, the Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of the Executive's employment with the Company, the Executive has incorporated or incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, the Executive hereby grants to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, the Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent (from a duly authorized member of the Board).

(iii) This Agreement does not obligate the Executive to assign to the Company any Development which, in the sole judgment of the Company reasonably exercised, was or is developed entirely on the Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of the Executive's employment (or other relationship) with the Company, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, the Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. The Executive understand that, to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 7 will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. The Executive also hereby waives all claims to any moral rights or other special rights which the Executive may have or accrue in any Company-Related Developments.

(iv) Both during and after the Executive's employment with the Company, the Executive will cooperate fully with the Company with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. The Executive will sign, both during and after the Term, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, the Executive hereby irrevocably designates and appoints each officer of the Company and the Chairman of the Board as the Executive's agent and attorney-in-fact to execute any such papers on the Executive's behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development.

(e) Non-Competition.

(i) During the Executive's employment with the Company and during the nine (9) month period immediately after the termination of such employment (regardless of the reason for the termination, and regardless of whether such termination is by the Executive or the Company) (the "**Non-Competition Period**"), the Executive shall not (without the prior written consent of the Company, in writing signed by a duly authorized representative of the Board), directly or indirectly, whether on the Executive's own behalf or on behalf of any person or entity, whether as an owner, partner, shareholder, consultant, agent, employee, director, advisor, volunteer, co-venturer or otherwise, engage, participate, assist or invest in, or be employed or engaged with or by any person or entity engaged in, any Competing Business (as hereinafter defined).

(ii) For purpose of the foregoing, a person or entity is or is engaged in a **Competing Business**" is if he/she or it is engaged (or actively seeking or planning to engage) in any way in the business of developing, manufacturing, producing, offering, selling, marketing, providing, distributing, performing, licensing, supporting, or soliciting business for any product, service or system that is competitive with, the same as, similar to, performs, serves or provides a similar function as, or can be used as a reasonable or competitive substitute or replacement for, any product, service or system offered, sold, provided, marketed, distributed, developed, manufactured, produced, performed, supported, licensed, or that is being developed or is the subject of active planning by the Company at any time during my employment with the Company (each a "**Competitive Product or Service**")

(iii) The foregoing restrictions under this Section 7(e) shall be limited to (A) the United States and (B) those foreign countries in which the Company (itself or through it subsidiaries, affiliates or related entities) develops, produces, manufactures, performs, provides, sell or solicits business for its products, services or systems at any time during the Executive's employment with the Company. Nothing herein shall preclude the Executive from owning up to one percent (1%) of the outstanding stock of a publicly held corporation which is engaged in a Competing Business.

(f) <u>Non-Solicitation</u>. During the Executive's employment with the Company and during the nine (9) month period immediately after the termination of such employment (regardless of the reason for the termination, and regardless of whether such termination is by the Executive or the Company) (the "**Non-Solicitation Period**"), the Executive shall not (without the prior written consent of the Company, in writing signed by a duly authorized representative of the Board), directly or indirectly, whether on the Executive's own behalf or on behalf of any person or entity:

(i) (A) solicit, induce, encourage, persuade, or procure any customer, active prospective customer or supplier of the Company to terminate, reduce, postpone, not enter, divert, or otherwise modify adversely to the Company its business relationship or dealings with or patronage of the Company, or otherwise interfere with such customer's, prospect's or contracts, relationship or dealings with the Company, (B) contact or solicit any such customer, prospective customer or supplier of the Company in connection with a Competing Business and/or any Competitive Product or Service, or (C) sell, provide, perform, offer, accept or promote any service, product or system to any such customer or prospective customer of the Company that is a Competitive Product or Service or that otherwise competes with the Company or any of its products, services or systems; or

(ii) (A) hire, employ, engage or solicit for hire, employment or engagement any officer, director, executive, employee, consultant, contractor or agent of the Company (or any person who was employed or engaged by the Company at any time during the final six (6) months of the Executive's employment with the Company); or (B) solicit, induce, encourage, persuade or procure any employee, consultant, contractor, vendor, supplier, distributor or agent of the Company to cease, give up, terminate, limit, postpone, divert, reduce or not to commence or continue his/her or its employment, engagement, business, dealings, or other business relationship with the Company, or otherwise interfere with such person or entity's contract or business relationship with the Company.

(g) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party that restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business in a manner that would interfere with or inhibit the Executive's ability to perform the Executive's duties to the Company. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(h) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of the Company that relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority that relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable, pre-approved out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 7(h).

(i) Reasonableness of Restrictive Covenants. The Executive understands, acknowledges and agrees that he is being employed in a significant, senior and high-level position of the utmost trust and confidence; that his services to the Company are special, unique and of extraordinary value; and that, by virtue of his employment, position, duties and responsibilities, he will be provided with, have access to, learn, develop and use (all on the Company's behalf) the Company's trade secrets and its other Proprietary Information, has duties and responsibilities to develop, enhance and preserve the Company's customer and other business relationships and good will, and will derive significant personal value and opportunities by virtue of such information, employment, duties, responsibilities and access. The Executive further understands, acknowledges and agrees that the covenants, obligations and restrictions contained in Sections 7(a)-(f) (the "**Restrictive Covenants**") (i) are intended to protect the Company's legitimate business interests including, without limitation, its Proprietary Information, customer, employee and business relationships, and goodwill; and agrees that such obligations and restrictions (and the scope of precluded activities, geographic scope and duration thereof) are necessary, reasonable and appropriate for this purpose; (ii) were and are a material condition and inducement for the Company to employ the Executive, to enter into (and to perform the Company's obligations under) this Agreement and to provide the Executive with Proprietary Information; and (iii) are in consideration of and ancillary to the Company's agreement to provide the Executive with such Proprietary Information and of the Executive's employment with the Company under this Agreement and the additional good and valuable consideration and opportunities provided to the Executive as set forth in this Agreement.

(j) Enforcement; Injunctive Relief. The Executive also understands, acknowledges and agrees that (i) it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Restrictive Covenants, that the Company would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach; (ii) without the restrictions set forth in the Restrictive Covenants, the Executive would be in a position to compete unfairly with the Company, and (iii) the Executive's education and experience are such that the restrictions set forth in the Restrictive Covenants will not interfere with the Executive's ability to earn a livelihood nor impose an undue or unreasonable hardship on the Executive. Accordingly, the Executive agrees and consents that, in addition to all other remedies (in law or equity, for monetary damages or otherwise), the Company shall be entitled to temporary, preliminary and permanent injunctive relief or other appropriate equitable relief to restrain or enjoin any such breach or threatened breach without showing or proving any actual damage to the Company; and that, notwithstanding anything to the contrary in Section 8 below, the Company may seek any such temporary, preliminary or permanent injunctive relief in and from a court of competent jurisdiction. In any such action to enforce any of the Continuing Obligations, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs.

(k) Severability. Each covenant, restriction, provision and sub-part of this Section 7 (including, without limitation each of sub-sections 7(a)-(f) and the sub-parts thereof) is and is intended to be a separate and severable covenant and restriction. If any covenant, restriction, portion or provision of this Section 7 shall to any extent be declared illegal or unenforceable by a court or arbitrator of competent jurisdiction, then it is the intention and the desire of the Parties that such covenant, restriction, portion or provision shall be severed from the remainder of this Agreement and the remainder of this Agreement and this Section 7, and the application of such covenant, restriction, portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby and shall be valid, enforceable and enforced to the fullest extent permitted by law. In the event that any covenant, restriction, portion or provision of this Section 7 is determined by a court or arbitrator of competent jurisdiction to be unenforceable by reason of excessive duration, geographic scope, or scope of activities covered/prohibited, it is the intent of the Parties (and the Parties request) that such court or arbitrator shall (unless otherwise prohibited by law) modify or interpret such restriction, covenant, provision or portion so that it will be deemed to extend only over the maximum duration, geographic scope and scope of activities as to which it may be enforceable and shall be so enforced. It is the intent of the Parties that all of the covenants, restrictions, portions and provisions of this Section 7 shall be enforceable to the full extent permitted by applicable law.

(l) Protected Disclosures and Other Protected Action; Defend Trade Secret Act Notice. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenant Agreement for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

8. Clawback Rights. Any incentive compensation (including both cash and equity compensation) payable under this Agreement shall be subject to any Company clawback or recoupment policy in effect, including but not limited to the Company's Nasdaq Rule 5608 Compensation Clawback Policy Applicable to Executive Officers, as such policy may be amended from time to time.

9. Arbitration of Disputes.

(a) Arbitration Generally. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment, the terms and conditions of such employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination or retaliation, whether based on race, religion, national origin, sex, gender, age, disability, sexual orientation, or any other protected class under applicable law) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the JAMS in Orlando, Florida in accordance with the JAMS Employment Arbitration Rules and Procedures (currently available at www.jamsadr.com/rules-employment-arbitration) (the "**JAMS Rules**"), including, but not limited to, the rules and procedures applicable to the selection of arbitrators. If any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to (or compelled to) arbitration subject to such other person or entity's consent or agreement. The Executive understands and agrees that the Executive may only bring claims in the Executive's individual capacity, and not as a plaintiff or class member in any purported class or collective action or proceeding or any purported representative action proceeding. The Executive further understands and agrees that, by signing this Agreement, the Company and the Executive are waiving and giving up any right they may have to a jury trial on all claims they may have against each other. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate including, without limitation, relief sought under Section 7 or any of the other Continuing Obligations; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.

(b) Arbitration Fees and Costs. If the Executive initiates a claim in arbitration, the Executive shall be required to pay any applicable initial arbitration filing fee which, if such arbitration is administered by JAMS, shall be to the extent provided by the JAMS Rules (and include the JAMS initial case management fee); provided, however, such fees will be capped at the lesser of the applicable fees required under the JAMS Rules or the amount the Executive would have been charged by a court in the Executive's state of residence to file a judicial complaint for the same claims in court. The Company shall be responsible for any employer/Company filing or case management fee (including any remaining balance of the individual/employee filing/case management fee above the cap) and any other fees or costs charged by JAMS and the arbitrator. However, to the extent permissible under law and following or as part of the arbitrator's ruling on the matter, the arbitrator may rule that the arbitration fees and costs be distributed or apportioned in an alternative manner. Each party shall be entitled to be represented by their own independent attorneys in connection with any arbitration hereunder, and each party shall pay his/her or its own attorneys' fees and costs; provided, however, if any party prevails on a statutory or contractual claim that affords the prevailing party attorneys' fees or costs, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party to the extent permitted by law.

10. Consent to Jurisdiction. To the extent that any court action is permitted consistent with this Agreement, the parties hereby consent to the jurisdiction of the state courts of Florida and the United States District Court for the Middle District of Florida. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

11. Indemnification. The Company and the Executive hereby agree to execute the Company's standard indemnification agreement for senior executives.

12. Integration. Except as otherwise provided, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes in all respects all prior agreements between the parties concerning the subject matter hereof (including, without limitation, compensation, severance pay and benefits) and supersedes in all respects all prior agreements between the parties concerning the subject matter hereof, provided that the Equity Documents, Prior Equity Agreements, any indemnification agreement, and any other agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be superseded by this Agreement (including as provided in Section 7 above) and the Executive acknowledges and agrees that any such agreements remain in full force and effect.

13. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect or consequences associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board. During the Term, any notice, requests, demand and other communications to the Executive shall be sufficient if in writing and delivered via email to the Executive's applicable Company email address.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 7 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 4 and Section 5 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to Section 4 and Section 5 of this Agreement.

20. Governing Law. This is a Florida contract and shall be construed under and be governed in all respects by the laws of the State of Florida, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eleventh Circuit.

21. Assignment. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction or event, then the Executive shall not be entitled to any Severance Pay and Benefits pursuant to Section 4 or any Change in Control Payment and Benefits pursuant to Section 5. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

23. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

Signature Page(s) Follows.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

IZEA Worldwide, Inc.

By: __
Its: __

EXECUTIVE

__
Peter J. Biere

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

IZEA Canada, Inc.	Ontario, Canada Corporation	100% owned
Hoozu Holdings, LTD.	Sydney, Australia Corporation	100% owned

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated April 1, 2024, with respect to the consolidated financial statements included in the Annual Report of IZEA Worldwide, Inc. on Form 10-K for the fiscal year ended December 31, 2023. We consent to the incorporation by reference of said report in the Registration Statements of IZEA Worldwide, Inc. on (i) Post-Effective Amendment Number 3 on Form S-1 (File No. 333-195081), (ii) Post- Effective Amendment Number 3 on Form S-1 (File No. 333-191743), (iii) Post-Effective Amendment Number 2 on Form S-1 (File No. 333-197482), (iv) Forms S-8 (File No. 333-196511, File No. 333-219407, File No. 333-229304, File No. 333-235677, and File No. 333-252020), (v) and Form S-3 (File No. 333- 238619).

/s/ GRANT THORNTON LLP

Charlotte, North Carolina
April 1, 2024

EXHIBIT 31.1

Certification by Principal Executive Officer
pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Edward H. Murphy, certify that:

1. I have reviewed this Annual Report on Form 10-K of IZEA Worldwide, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: April 1, 2024

/s/ Edward H. Murphy

Edward H. Murphy
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

<u>Certification by Principal Financial and Accounting Officer</u>
<u>pursuant to Section 302 of the Sarbanes Oxley Act of 2002</u>

I, Peter J. Biere, certify that:

1. I have reviewed this Annual Report on Form 10-K of IZEA Worldwide, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 1, 2024

/s/ Peter J. Biere

Peter J. Biere
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of IZEA Worldwide, Inc., a Nevada corporation (the “Company”), on Form 10-K for the period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Edward Murphy, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2024

/s/ Edward H. Murphy

Edward H. Murphy
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of IZEA Worldwide, Inc., a Nevada corporation (the “Company”), on Form 10-K for the period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter J. Biere, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2024

/s/ Peter J. Biere

Peter J. Biere
Chief Financial Officer
(Principal Financial and Accounting Officer)

IZEA WORLDWIDE, INC.
NASDAQ RULE 5608 COMPENSATION CLAWBACK POLICY
APPLICABLE TO EXECUTIVE OFFICERS

EFFECTIVE July 18, 2023

1. Policy Purpose. The purpose of this IZEA Worldwide, Inc. Nasdaq Rule 5608 Compensation Clawback Policy Applicable to Executive Officers (this "***Policy***") is to enable IZEA Worldwide, Inc. (the "***Company***") to recover Erroneously Awarded Compensation in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with the requirements set forth in Listing Rule 5608 of The Nasdaq Stock Market LLC (the "***Listing Rule***") and will be construed and interpreted in accordance with such intent. Unless otherwise defined in this Policy, capitalized terms will have the meaning ascribed to such terms in Section 7.

2. Policy Administration. This Policy will be administered by the Compensation Committee of the Board (the "***Committee***") unless the Board determines to administer this Policy itself. The Committee has full and final authority to make all determinations under this Policy, in each case to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. All determinations and decisions made by the Committee pursuant to the provisions of this Policy will be final, conclusive and binding on all persons, including the Company, its affiliates, its stockholders and the Executive Officers. Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee's actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor will any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

3. Policy Application. This Policy applies to all Incentive-Based Compensation received by a person (a) after beginning service as an Executive Officer, (b) who served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation, (c) while the Company had a class of securities listed on a national securities exchange or a national securities association and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date. In addition to such last three completed fiscal years, the immediately preceding clause (d) includes any transition period that results from a change in the Company's fiscal year within or immediately following such three completed fiscal years, provided that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months will be deemed a completed fiscal year. For purposes of this Section 3, Incentive-Based Compensation is deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition will be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

4. Policy Recovery Requirement. In the event of an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation, in amounts determined pursuant to this Policy. The Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer will not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement. In the event of an Accounting

Restatement, the Company will satisfy the Company's obligations under this Policy to recover any amount owed from any applicable Executive Officer by exercising its sole and absolute discretion in how to accomplish such recovery, to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. The Company's recovery obligation pursuant to this Section 4 will not apply to the extent that the Committee, or in the absence of the Committee, a majority of the independent directors serving on the Board, determines that such recovery would be impracticable and:

a. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempts to recover and provide that documentation to the Stock Exchange;

b. Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and must provide such opinion to the Stock Exchange; or

c. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of Section 401(a)(13) or 411(a) of the Code.

5. Policy Prohibition on Indemnification and Insurance Reimbursement. The Company is prohibited from indemnifying any current or former Executive Officer against the loss of Erroneously Awarded Compensation. Further, the Company is prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss.

6. Required Policy-Related Filings. The Company will file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by U.S. Securities and Exchange Commission filings.

7. Definitions.

a. "***Accounting Restatement***" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

b. "***Accounting Restatement Date***" means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement and (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

c. "***Board***" means the board of directors of the Company.

d. “***Code***” means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

e. “***Erroneously Awarded Compensation***” means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes paid by the relevant Executive Officer. Notwithstanding the foregoing, for Incentive-Based Compensation based on stock price or total stockholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement (i) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-Based Compensation was received and (ii) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Stock Exchange.

f. “***Executive Officer***” means the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function or any other person who performs similar policy-making functions for the Company. An executive officer of the Company’s parent or subsidiary is deemed an “Executive Officer” if the executive officer performs such policy making functions for the Company.

g. “***Financial Reporting Measure***” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure, provided that a Financial Reporting Measure is not required to be presented within the Company’s financial statements or included in a filing with the U.S. Securities and Exchange Commission to qualify as a “Financial Reporting Measure.” For purposes of this Policy, “Financial Reporting Measure” includes, but is not limited to, stock price and total stockholder return.

h. “***Incentive-Based Compensation***” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

i. “***Stock Exchange***” means the national stock exchange on which the Company’s common stock is listed.

8. Acknowledgement. Each Executive Officer will sign and return to the Company, within 30 calendar days following the later of (i) the effective date of this Policy first set forth above or (ii) the date the individual becomes an Executive Officer, the Acknowledgement Form attached as Exhibit A, pursuant to which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

9. Severability. The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent

permitted, and will automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination. The Board may amend this Policy from time to time in its sole and absolute discretion and will amend this Policy as it deems necessary to reflect the Listing Rule, to comply with (or maintain an exemption from the application of) Section 409A of the Code. The Board may terminate this Policy at any time.

11. Other Recovery Obligations and General Rights. To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Executive Officer has already reimbursed the Company will be credited to the required recovery under this Policy. This Policy will not limit the rights of the Company to take any other actions or pursue other remedies that the Company may deem appropriate under the circumstances and under applicable law, in each case to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. Nothing contained in this Policy will limit the Company's ability to seek recoupment, in appropriate circumstances (including circumstances beyond the scope of this Policy) and as permitted by other applicable law, of any amounts from any individual, in each case to the extent permitted under the Listing Rule and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code.

12. Successors. This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

13. Governing Law. This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Nevada, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction.

EXHIBIT A

IZEA WORLDWIDE, INC.
NASDAQ RULE 5608 COMPENSATION CLAWBACK POLICY
APPLICABLE TO EXECUTIVE OFFICERS

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the IZEA Worldwide, Inc. Nasdaq Rule 5608 Compensation Clawback Policy Applicable to Executive Officers (the "***Policy***").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with IZEA Worldwide, Inc. (the "***Company***"). Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

EXECUTIVE OFFICER

____
Signature

____
Print Name

____
Date