

Creatd, Inc.

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Annual Report

For the period ending December 31, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

The number of shares of common stock, par value \$.001, outstanding is 507,210 as of December 31, 2023

The number of shares of common stock, par value \$.001, outstanding was 77,938 as of December 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹⁴ of the company has occurred during this reporting period:

Yes: No:

¹⁴ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

We were originally incorporated under the laws of the State of Nevada on December 30, 1999 under the name LILM, Inc. The Company changed its name on December 3, 2013 to Great Plains Holdings, Inc.

On February 5, 2016 (the "Merger Closing Date"), we entered into an Agreement and Plan of Merger (the "Merger Agreement") with GPH Merger Sub, Inc., a Nevada corporation and our wholly-owned subsidiary ("Merger Sub"), and Jerrick Ventures, Inc., a privately-held Nevada corporation headquartered in New Jersey ("Jerrick"), pursuant to which the Merger Sub was merged with and into Jerrick, with Jerrick surviving as our wholly-owned subsidiary (the "Merger"). Pursuant to the terms of the Merger Agreement, we acquired, through a reverse triangular merger, all of the outstanding capital stock of Jerrick in exchange for issuing Jerrick's shareholders (the "Jerrick Shareholders"), pro-rata, a total of 950 shares of our common stock, par value \$0.001 per share ("Common Stock"). Additionally, we assumed 33,415 shares of Jerrick's Series A Convertible Preferred Stock (the "Jerrick Series A Preferred") and 8,064 shares of Series B Convertible Preferred Stock (the "Jerrick Series B Preferred").

In connection with the Merger, on the Merger Closing Date, we entered into a Spin-Off Agreement with Kent Campbell (the "Spin-Off Agreement"), pursuant to which Mr. Campbell purchased (i) all of our interest in Ashland Holdings, LLC, a Florida limited liability company, and (ii) all of our interest in Lil Marc, Inc., a Utah corporation, in exchange for the cancellation of 27 shares of our common stock held by Mr. Campbell. In addition, Mr. Campbell assumed all of our debts, obligations and liabilities, including any existing prior to the Merger, pursuant to the terms and conditions of the Spin-Off Agreement.

Effective February 28, 2016, we entered into an Agreement and Plan of Merger (the "Statutory Merger Agreement"), pursuant to which we became the parent company of Jerrick Ventures, LLC, our wholly-owned operating subsidiary (the "Statutory Merger").

On February 28, 2016, we changed our name to Jerrick Media Holdings, Inc. to better reflect our new business strategy.

On September 9, 2020, the Company filed a certificate of amendment with the Secretary of State of the State of Nevada to change our name to "Creatd, Inc.", which became effective on September 10, 2020.

Current State and Date of Incorporation or Registration:
Standing in this jurisdiction: (e.g. active, default, inactive):

The company was incorporated in the state of Nevada on February 5, 2016, and is currently active with the State of Nevada.

Prior Incorporation Information for the issuer and any predecessors during the past five years:

Included in the above summary.

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On March 7, 2022, the Company acquired 100% of the membership interests of Denver Bodega, LLC, d/b/a Basis, a Colorado limited liability company ("Basis"). Basis is a direct-to-consumer functional

beverage brand that makes high-electrolyte mixes meant to aid hydration. Denver Bodega, LLC has been consolidated due to the Company's ownership of 100% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On August 1, 2022, the Company acquired 51% of the membership interests of Orbit Media LLC, a New York limited liability company. Orbit is an app-based stock trading platform designed to empower a new generation of investors. Orbit has been consolidated due to the Company's ownership of 51% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On September 13, 2022, the Company acquired 100% of the membership interests of Brave Foods, LLC, a Maine limited liability company. Brave is a plant-based food company that provides convenient and healthy breakfast food products. Brave Foods, LLC has been consolidated due to the Company's ownership of 100% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On December 13, 2022, an investor entered into a Subscription Agreement whereby it purchased from OG Collection, Inc., a subsidiary of the Company ("OG"), 150,000 shares of common stock of OG for a purchase price of \$750,000, and, in connection therewith OG, the Company, and the Investor entered into a Shareholder Agreement.

On January 9, 2023, the Company acquired an additional 51% of the equity interest in WHE Agency, Inc. bringing our total ownership to 95%. WHE has been consolidated due to the Company's ownership of 55% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On January 25, 2023, the Company acquired an additional 23% equity interest in Dune, Inc. bringing our total ownership to 85%. Dune, Inc., has been consolidated due to the Company's ownership of 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On February 1, 2023, an investor entered into a Subscription Agreement whereby it purchased from OG Collection, Inc., a subsidiary of the Company ("OG"), 50,000 shares of common stock of OG for a purchase price of \$250,000, and, in connection therewith OG, the Company, and the Investor entered into a Shareholder Agreement.

On February 3, 2023, the Company acquired an additional 5% of the membership interests of Orbit Media, LLC., bringing our total membership interests to 56%. Orbit has been consolidated due to the Company's ownership of 51% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On May 30, 2023, the Company acquired an additional 15% equity interest in Dune, Inc. bringing our total ownership to 100%. Dune, Inc., has been consolidated due to the Company's ownership of 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On June 30, 2023, the Company acquired an additional 10% of the membership interests of Plant Camp, LLC, bringing our total ownership to 100%. Plant Camp, LLC has been consolidated due to the Company's ownership of 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On July 28, 2023, the Company acquired an additional 17.5% of the membership interests of Orbit Media, LLC, bringing our total membership interests to 74%. Orbit has been consolidated due to the Company's ownership of 51% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On October 8, 2023, the Company entered into an Assignment and Assumption Agreement whereby Omega Eats, LLC was assigned 92.5% of the assets owned by Creatd Ventures, LLC pertaining to the operations of Brave and Denver Bodega DBA basis in exchange for \$1 in cash consideration at closing and the assumption of \$214,295 in liabilities related to the operations of these products.

On December 6, 2023, the Company spun-out Orbit Media, LLC, retaining an 18.4% membership interest and returning the remaining membership interest to the founders. As of December 6, 2023, Orbit is no longer consolidated due to the Company's ownership of less than 50% voting control and membership interests.

On January 22, 2024, we filed a certificate of amendment to our amended and restated articles of incorporation with the Secretary of State of the State of Nevada to effectuate a one-for-five hundred (1:500) reverse stock split of our common stock without any change to its par value (the "January 2024 Reverse Stock Split"). The Amendment became effective on January 24, 2024. No fractional shares were issued in connection with the reverse stock split as all fractional shares were rounded up to the next whole share. All share and per share amounts of our common stock listed in this Form 10-K have been adjusted to give effect to the January 2024 Reverse Stock Split.

Address of the issuer's principal executive office:

We are a remote-only company. Accordingly, we do not maintain a headquarters. For purposes of compliance with applicable requirements of the Securities Act of 1933, as amended, or the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, any stockholder communication required to be sent to our principal executive offices may be directed to 1111B S Governors Ave, STE 20721, Dover, DE 19904.

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes:

2) Security Information

Transfer Agent

Name: Pacific Stock Transfer Company
Phone: 702-361-3033
Email: ipstc@pacificstocktransfer.com
Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas, Nevada 89119

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

| | |
|--|-----------|
| Trading symbol: | CRTD |
| Exact title and class of securities outstanding: | Common |
| CUSIP: | 225265305 |
| Par or stated value: | \$0.001 |

| | |
|---|-------------------------------------|
| Total shares authorized: | 100,000,000 as of December 31, 2023 |
| Total shares outstanding: | 507,210 as of December 31, 2023 |
| Total number of shareholders of record: | 252 as of December 32, 2023 |

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

| | |
|--|-----------------------------------|
| Trading symbol: | CRTDW |
| Exact title and class of securities outstanding: | Warrant |
| CUSIP: | 225265115 |
| Par or stated value: | \$0.001 |
| Total shares authorized: | 2,885,621 as of December 31, 2023 |
| Total shares outstanding: | 2,542,500 as of December 31, 2023 |
| Total number of shareholders of record: | 9 as of December 31, 2023 |

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | |
|---|-------------------------------|
| Exact title and class of the security: | Preferred Series E |
| Par or stated value: | \$0.001 |
| Total shares authorized: | 8,000 as of December 31, 2023 |
| Total shares outstanding: | 450 as of December 31, 2023 |
| Total number of shareholders of record: | 5 as of December 31, 2023 |

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The Common Stock of the Company is eligible to receive dividends per share as declared by the Company's Board of Directors. The holders of Company Common Stock are entitled to one vote per share of Common Stock held on all matters that may be voted upon by stockholders are required by law and the Company's Articles of Incorporation and Bylaws. The Common Stock has no preemptive rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The shares of Series E Preferred Stock have a stated value of \$1,000 per share and are convertible into Common Stock at the election of the holder of the Series E Preferred Stock, at any time following the Original Issue Date at a price of \$2,060 per share, subject to adjustment. Each holder of Series E Preferred Stock shall be entitled to receive, with respect to each share of Series E Preferred Stock then

outstanding and held by such holder, dividends on an as-converted basis in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock.

The holders of Series E Preferred Stock shall be paid pari passu with the holders of Common Stock with respect to payment of dividends and rights upon liquidation and shall have no voting rights. In addition, as further described in the Series E Designation, as long as any of the shares of Series E Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of Series E Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series E Preferred Stock or alter or amend this Series E Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of the Series E Preferred Stock, (c) increase the number of authorized shares of Series E Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing.

Each share of Series E Preferred Stock shall be convertible, at any time and from time to time at the option of the holder of such shares, into that number of shares of Common Stock determined by dividing the Series E Stated Value by the Conversion Price, subject to certain beneficial ownership limitations.

3. **Describe any other material rights of common or preferred stockholders.**

N/A

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

N/A

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes:

All values have been updated to reflect the 1:500 reverse stock split of our common stock effectuated on January 24, 2024.

| Shares Outstanding Opening Balance: Date: 1/1/2022 Common: 33,364 Preferred: 500 | | | *Right-click the rows below and select "Insert" to add rows as needed. | | | | | | |
|---|--|--|--|---|--|--|---|---|---------------------------------|
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed. | Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| 1/2/2022 | Issuance | 61 | Common | \$1,160 | No | Disruptive Digital LLC; Adrian Tilley & Maurice Rahmey | Services | Restricted | N/A |
| 1/6/2022 | Issuance | 18 | Common | \$1,115 | No | Standard Holdings Inc.; Tom Punch | Services | Restricted | N/A |
| 1/10/2022 | Issuance | 219 | Common | \$792.50 | Yes | Power Up Lending Group Ltd.; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 2/1/2022 | Issuance | 50 | Common | \$865 | No | Disruptive Digital LLC; Adrian Tilley & Maurice Rahmey | Services | Restricted | N/A |
| 2/24/2022 | Issuance | 100 | Common | \$690 | No | Robert Schatz | Services | Restricted | N/A |
| 3/1/2022 | Issuance | 340 | Common | \$875 | No | Anson Investments Master Fund LP; Amin Nathoo | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 150 | Common | \$875 | No | Andrew Arno | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 57 | Common | \$875 | No | Arthur Rosen | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 10 | Common | \$875 | No | Bradford Justus | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 3 | Common | \$875 | No | Chelsea Pullano | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 114 | Common | \$875 | No | Chris Gordon | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 57 | Common | \$875 | No | Douglas Wertheimer | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 11 | Common | \$875 | No | Erica Wagner | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 29 | Common | \$875 | No | Eubulus Kerr | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 3 | Common | \$875 | No | Gina Callea | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 300 | Common | \$875 | No | Gregory Castaldo | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 286 | Common | \$875 | No | Lind Global Macro Fund LP; Jeff Easton | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 360 | Common | \$875 | No | Jeremy Frommer | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 300 | Common | \$875 | No | Joseph Reda | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 57 | Common | \$875 | No | Joel A Stone Revocable Trust; Joel Stone | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 29 | Common | \$875 | No | Jonathan Uretsky | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 40 | Common | \$875 | No | Jonathan Schechter | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 11 | Common | \$875 | No | Justin Maury | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 57 | Common | \$875 | No | Laurie Weisberg | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 57 | Common | \$875 | No | Mark Wilkins | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 4 | Common | \$875 | No | Rachel David & Justin Mantell | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 80 | Common | \$875 | No | Richard Molinsky | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 46 | Common | \$875 | No | Richard David | Cash | Unrestricted | S-3 |

| | | | | | | | | | |
|-----------|----------|-------|--------|-------|----|---|-----------------|--------------|-----|
| 3/1/2022 | Issuance | 6 | Common | \$875 | No | Robert Tal | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 29 | Common | \$875 | No | Hillside Capital Management LP; Samuel Bernstein | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 286 | Common | \$875 | No | Brio Capital Master Fund Ltd; Shaye Hirsch | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 29 | Common | \$875 | No | SD Technologies Inc.; Tom Punch | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 22 | Common | \$875 | No | Tracy Willis | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 30 | Common | \$875 | No | Timothy Berry | Cash | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 250 | Common | \$875 | No | The Benchmark Company; Richard Messina | Placement Agent | Unrestricted | S-3 |
| 3/1/2022 | Issuance | 54 | Common | \$751 | No | Disruptive Digital LLC; Adrian Tilley & Maurice Rahmey | Services | Restricted | N/A |
| 3/9/2022 | Issuance | 29 | Common | \$875 | No | Jeremy Frommer | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 1,143 | Common | \$875 | No | Anson Investments Master Fund LP; Amin Nathoo | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 700 | Common | \$875 | No | Joseph Reda | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 500 | Common | \$875 | No | Gregory Castaldo | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 286 | Common | \$875 | No | Brio Capital Master Fund Ltd.; Shaye Hirsch | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 200 | Common | \$875 | No | Andrew Arno | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 11 | Common | \$875 | No | Standard Holdings Inc.; Tom Punch | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 11 | Common | \$875 | No | Laurie Weisberg | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 57 | Common | \$875 | No | Arthur Rosen | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 29 | Common | \$875 | No | Hillside Capital Management LP; Samuel Bernstein | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 3 | Common | \$875 | No | Justin Maury | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 1 | Common | \$875 | No | Chelsea Pullano | Cash | Unrestricted | S-3 |
| 3/9/2022 | Issuance | 70 | Common | \$875 | No | Timothy Berry | Cash | Unrestricted | S-3 |
| 3/14/2022 | Issuance | 9 | Common | \$555 | No | Sawyer Dickinson Capital Advisors Inc; Yvonne Zappulla | Services | Restricted | N/A |
| 3/14/2022 | Issuance | 5 | Common | \$555 | No | Binyamin Antelis | Services | Restricted | N/A |
| 3/30/2022 | Issuance | 2 | Common | \$590 | No | Tania Daniel | Services | Restricted | N/A |
| 4/5/2022 | Issuance | 70 | Common | \$520 | No | Chelsea Pullano | Services | Restricted | N/A |
| 4/5/2022 | Issuance | 100 | Common | \$520 | No | Laurie Weisberg | Services | Restricted | N/A |
| 4/5/2022 | Issuance | 100 | Common | \$520 | No | Justin Maury | Services | Restricted | N/A |
| 4/5/2022 | Issuance | 100 | Common | \$520 | No | Jeremy Frommer | Services | Restricted | N/A |
| 4/14/2022 | Issuance | 5 | Common | \$665 | No | Sawyer Dickinson Capital Advisors Inc; Yvonne Zappulla | Services | Restricted | N/A |
| 4/14/2022 | Issuance | 4 | Common | \$665 | No | Jenifer Monger | Services | Restricted | N/A |
| 5/13/2022 | Issuance | 7 | Common | \$340 | No | Sawyer Dickinson Capital Advisors Inc; Yvonne Zappulla | Services | Restricted | N/A |
| 5/13/2022 | Issuance | 10 | Common | \$340 | No | Binyamin Antelis | Services | Restricted | N/A |
| 5/13/2022 | Issuance | 7 | Common | \$340 | No | Jenifer Monger | Services | Restricted | N/A |
| 6/14/2022 | Issuance | 6 | Common | \$415 | No | Jenifer Monger | Services | Restricted | N/A |
| 6/14/2022 | Issuance | 8 | Common | \$415 | No | Jenifer Monger | Services | Restricted | N/A |

| | | | | | | | | | |
|------------|----------------------------------|-------|--------|----------|-----|---|------------------|--------------|-----|
| 6/24/2022 | Issuance | 100 | Common | \$372 | No | Robert Schatz | Services | Restricted | N/A |
| 7/1/2022 | Issuance | 100 | Common | \$349.50 | No | Integra Consulting Group LLC; Jeremy Roe | Services | Restricted | N/A |
| 7/15/2022 | Issuance | 10 | Common | \$515 | No | Grawin LLC; Arthur Rosen | Services | Restricted | N/A |
| 7/15/2022 | Issuance | 10 | Common | \$515 | No | Glenn Kenny | Services | Restricted | N/A |
| 7/15/2022 | Issuance | 5 | Common | \$515 | No | Jenifer Monger | Services | Restricted | N/A |
| 7/15/2022 | Issuance | 7 | Common | \$515 | No | Binyamin Antelis | Services | Restricted | N/A |
| 8/1/2022 | Issuance | 42 | Common | \$356 | No | Brandon Fallin | M&A | Restricted | N/A |
| 8/1/2022 | Issuance | 15 | Common | \$356 | No | Nicholas Scibilia | M&A | Restricted | N/A |
| 8/1/2022 | Issuance | 42 | Common | \$356 | No | Wuseok Jung | M&A | Restricted | N/A |
| 8/1/2022 | Issuance | 15 | Common | \$356 | No | Zachary Shenkman | M&A | Restricted | N/A |
| 8/15/2022 | Issuance | 10 | Common | \$354 | No | Grawin LLC; Arthur Rosen | Services | Restricted | N/A |
| 8/15/2022 | Issuance | 14 | Common | \$354 | No | Glenn Kenny | Services | Restricted | N/A |
| 8/15/2022 | Issuance | 7 | Common | \$354 | No | Jenifer Monger | Services | Restricted | N/A |
| 8/15/2022 | Issuance | 7 | Common | \$354 | No | Americana Music Productions Inc.; Parker Fishel | Services | Restricted | N/A |
| 8/15/2022 | Issuance | 10 | Common | \$354 | No | Binyamin Antelis | Services | Restricted | N/A |
| 9/2/2022 | Purchase of Treasury Stock | (32) | Common | N/A | N/A | N/A | N/A | N/A | N/A |
| 9/8/2022 | Purchase of Treasury Stock | (33) | Common | N/A | N/A | N/A | N/A | N/A | N/A |
| 9/14/2022 | Issuance | 3,200 | Common | \$100 | No | Anson Investments Master Fund LP; Amin Nathoo | Cash | Unrestricted | S-3 |
| 9/14/2022 | Issuance | 2,400 | Common | \$100 | No | Joseph Reda | Cash | Unrestricted | S-3 |
| 9/14/2022 | Issuance | 1,000 | Common | \$100 | No | Gregory Castaldo | Cash | Unrestricted | S-3 |
| 9/14/2022 | Issuance | 600 | Common | \$100 | No | Andrew Arno | Cash | Unrestricted | S-3 |
| 9/14/2022 | Issuance | 800 | Common | \$100 | No | Anson East Master Fund LP; Amin Nathoo | Cash | Unrestricted | S-3 |
| 9/15/2022 | Issuance | 10 | Common | \$80 | No | Grawin LLC; Arthur Rosen | Services | Restricted | N/A |
| 9/15/2022 | Issuance | 63 | Common | \$80 | No | Glenn Kenny | Services | Restricted | N/A |
| 9/15/2022 | Issuance | 31 | Common | \$80 | No | Jenifer Monger | Services | Restricted | N/A |
| 9/15/2022 | Issuance | 31 | Common | \$80 | No | Americana Music Productions Inc.; Parker Fishel | Services | Restricted | N/A |
| 9/30/2022 | Purchase of Treasury Stock | (103) | Common | N/A | N/A | N/A | N/A | N/A | N/A |
| 10/14/2022 | Issuance | 77 | Common | \$97.50 | No | Americana Music Productions Inc.; Parker Fishel | Services | Restricted | N/A |
| 10/14/2022 | Issuance | 77 | Common | \$97.50 | No | Jenifer Monger | Services | Restricted | N/A |
| 10/20/2022 | Issuance | 800 | Common | \$100 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 10/20/2022 | Issuance | 831 | Common | \$100 | No | FirstFire Global Opportunities Fund LLC; Eli Fireman | Warrant Exercise | Unrestricted | S-1 |
| 10/20/2022 | Issuance | 30 | Common | \$251.50 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |

| | | | | | | | | | |
|------------|------------|-------|-----------|----------|-----|--|----------------------|--------------|----------|
| 10/20/2022 | Issuance | 1,600 | Common | \$251.50 | No | Coventry Enterprises LLC; Jack Bodenstein | Loan Incentive | Unrestricted | S-1 |
| 10/24/2022 | Issuance | 200 | Common | \$100 | No | Integra Consulting Group LLC; Jeremy Roe | Warrant Exercise | Unrestricted | S-1 |
| 10/24/2022 | Issuance | 200 | Common | \$100 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 10/24/2022 | Issuance | 550 | Common | \$100 | No | Integra Consulting Group LLC; Jeremy Roe | Warrant Exercise | Unrestricted | S-1 |
| 10/25/2022 | Issuance | 550 | Common | \$100 | No | Integra Consulting Group LLC; Jeremy Roe | Warrant Exercise | Unrestricted | S-1 |
| 10/25/2022 | Issuance | 110 | Common | \$100 | No | Integra Consulting Group LLC; Jeremy Roe | Warrant Exercise | Unrestricted | S-1 |
| 10/28/2022 | Issuance | 600 | Common | \$100 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 11/7/2022 | Issuance | 390 | Common | \$100 | No | Integra Consulting Group LLC; Jeremy Roe | Warrant Exercise | Unrestricted | S-1 |
| 11/7/2022 | Issuance | 150 | Common | \$100 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 11/9/2022 | Issuance | 450 | Common | \$720 | No | Integra Consulting Group LLC; Jeremy Roe | Services | Restricted | N/A |
| 11/10/2022 | Issuance | 1,179 | Common | \$100 | No | Anson Investments Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |
| 11/10/2022 | Issuance | 826 | Common | \$100 | No | Joseph Reda | Warrant Exercise | Unrestricted | S-1 |
| 11/10/2022 | Issuance | 309 | Common | \$100 | No | Andrew Arno | Warrant Exercise | Unrestricted | S-1 |
| 11/10/2022 | Issuance | 498 | Common | \$100 | No | Brio Capital Master Fund Ltd.; Shaye Hirsch | Warrant Exercise | Unrestricted | S-1 |
| 11/10/2022 | Issuance | 413 | Common | \$100 | No | Gregory Castaldo | Warrant Exercise | Unrestricted | S-1 |
| 11/11/2022 | Issuance | 246 | Common | \$100 | No | Gregory Castaldo | Warrant Exercise | Unrestricted | S-1 |
| 11/14/2022 | Issuance | 202 | Common | \$185.65 | Yes | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 11/15/2022 | Issuance | 13 | Common | \$565 | No | Americana Music Productions Inc.; Parker Fishel | Services | Restricted | N/A |
| 11/15/2022 | Issuance | 13 | Common | \$565 | No | Jenifer Monger | Services | Restricted | N/A |
| 11/16/2022 | Issuance | 24 | Common | \$2,060 | No | Mark Wilkins | Preferred Conversion | Unrestricted | S-3 |
| 11/16/2022 | Conversion | (50) | Preferred | N/A | N/A | Mark Wilkins | N/A | N/A | N/A |
| 11/18/2022 | Issuance | 400 | Common | \$100 | No | Joe Reda | Warrant Exercise | Unrestricted | S-1 |
| 11/18/2022 | Issuance | 160 | Common | \$100 | No | Andy Arno | Warrant Exercise | Unrestricted | S-1 |
| 11/18/2022 | Issuance | 240 | Common | \$100 | No | Jonathan Schechter | Warrant Exercise | Unrestricted | S-1 |
| 11/18/2022 | Issuance | 100 | Common | \$100 | No | Daniel Ripp | Warrant Exercise | Unrestricted | S-1 |
| 11/18/2022 | Issuance | 44 | Common | \$100 | No | Linda MacKay | Warrant Exercise | Unrestricted | S-1 |
| 12/14/2022 | Issuance | 8,000 | Common | \$100 | Yes | Dorado Goose LLC; Tommy Wang | Note Conversion | Unrestricted | S-1 |
| 12/15/2022 | Issuance | 21 | Common | \$352.50 | No | Americana Music Productions Inc.; Parker Fishel | Services | Restricted | N/A |
| 12/15/2022 | Issuance | 21 | Common | \$352.50 | No | Jenifer Monger | Services | Restricted | N/A |
| 12/22/2022 | Issuance | 79 | Common | \$161.25 | Yes | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |

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|------------|----------|--------|--------|----------|-----|--|------------------|--------------|----------|
| 12/22/2022 | Issuance | 232 | Common | \$161.25 | Yes | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 12/28/2022 | Issuance | 950 | Common | \$100 | No | Anson East Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |
| 12/28/2022 | Issuance | 3,800 | Common | \$100 | No | Anson Investments Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |
| 12/28/2022 | Issuance | 1,150 | Common | \$100 | No | Gregory Castaldo | Warrant Exercise | Unrestricted | S-1 |
| 12/28/2022 | Issuance | 2,700 | Common | \$100 | No | Joseph Reda | Warrant Exercise | Unrestricted | S-1 |
| 12/28/2022 | Issuance | 225 | Common | \$100 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 12/28/2022 | Issuance | 125 | Common | \$100 | No | Brio Capital Master Fund Ltd.; Shaye Hirsch | Warrant Exercise | Unrestricted | S-1 |
| 12/28/2022 | Issuance | 600 | Common | \$100 | No | Andrew Arno | Warrant Exercise | Unrestricted | S-1 |
| 1/17/2023 | Issuance | 227 | Common | \$350 | No | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 1/25/2023 | Issuance | 3,125 | Common | \$337.50 | No | Dorado Goose LLC; Tommy Wang | Cash | Restricted | N/A |
| 1/25/2023 | Issuance | 200 | Common | \$337.50 | No | Punch Inc; Tom Punch | M&A | Restricted | N/A |
| 2/7/2023 | Issuance | 2,002 | Common | \$315 | No | Punch Inc; Tom Punch | M&A | Restricted | N/A |
| 2/8/2023 | Issuance | 3,326 | Common | \$310 | No | Chelsea Pullano | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 1,155 | Common | \$310 | No | Robby Tal | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 21,385 | Common | \$310 | No | Jeremy Frommer | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 11,790 | Common | \$310 | No | Justin Maury | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 2,418 | Common | \$310 | No | Erica Wager | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 3,878 | Common | \$310 | No | Peter Majar | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 3,740 | Common | \$310 | No | Tom Punch | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 1,803 | Common | \$310 | No | Gina Callea | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 509 | Common | \$310 | No | Christian Johnson | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 221 | Common | \$310 | No | Allie Mennen | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 1,709 | Common | \$310 | No | Tracy Willis | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 1,176 | Common | \$310 | No | Brielle Jeffries | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 725 | Common | \$310 | No | Rachel David | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 851 | Common | \$310 | No | Max Avellaneda | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 444 | Common | \$310 | No | Blake O'Connor | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 406 | Common | \$310 | No | Caitlin Nightingale | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 396 | Common | \$310 | No | Sara Friedland | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 562 | Common | \$310 | No | Christopher Riggio | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 560 | Common | \$310 | No | Gina Bochis | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 360 | Common | \$310 | No | Fiona Lenz | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 322 | Common | \$310 | No | Briana Bazail | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 357 | Common | \$310 | No | Nick Scibilia | Services | Restricted | N/A |
| 2/8/2023 | Issuance | 248 | Common | \$310 | No | Ameya Rao | Services | Restricted | N/A |
| 2/10/2023 | Issuance | 8,667 | Common | \$287.50 | No | Dorado Goose LLC; Tommy Wang | Note Conversion | Restricted | N/A |
| 2/13/2023 | Issuance | 400 | Common | \$294 | No | Anson Investments Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |

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|-----------|----------|-------|--------|----------|-----|--|------------------|--------------|-----|
| 2/13/2023 | Issuance | 100 | Common | \$294 | No | Anson East Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |
| 2/13/2023 | Issuance | 75 | Common | \$294 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 2/13/2023 | Issuance | 5,000 | Common | \$294 | No | Dorado Goose LLC; Tommy Wang | Note Conversion | Restricted | N/A |
| 2/13/2023 | Issuance | 250 | Common | \$294 | No | Nicholas Scibilia | M&A | Restricted | N/A |
| 2/13/2023 | Issuance | 200 | Common | \$294 | No | Tracy Willis | M&A | Restricted | N/A |
| 2/14/2023 | Issuance | 169 | Common | \$240 | No | Linda Mackay | Warrant Exercise | Unrestricted | S-1 |
| 2/14/2023 | Issuance | 21 | Common | \$240 | No | Punch Inc; Tom Punch | Services | Restricted | N/A |
| 2/15/2023 | Issuance | 690 | Common | \$245 | No | Andrew Arno | Warrant Exercise | Unrestricted | S-1 |
| 2/16/2023 | Issuance | 1,865 | Common | \$225 | No | Joseph Reda | Warrant Exercise | Unrestricted | S-1 |
| 2/16/2023 | Issuance | 924 | Common | \$225 | No | Jonathan Schechter | Warrant Exercise | Unrestricted | S-1 |
| 2/17/2023 | Issuance | 100 | Common | \$210.50 | No | Gregory Castaldo | Warrant Exercise | Unrestricted | S-1 |
| 2/28/2023 | Issuance | 2,500 | Common | \$85.50 | No | Arthur Rosen | Services | Restricted | N/A |
| 3/7/2023 | Issuance | 1,286 | Common | \$133.50 | No | Anson Investments Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |
| 3/7/2023 | Issuance | 321 | Common | \$133.50 | No | Anson East Master Fund LP; Amin Nathoo | Warrant Exercise | Unrestricted | S-1 |
| 3/8/2023 | Issuance | 386 | Common | \$100 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 3/10/2023 | Issuance | 804 | Common | \$100 | No | Joseph Reda | Warrant Exercise | Unrestricted | S-1 |
| 3/10/2023 | Issuance | 96 | Common | \$100 | No | Andrew Arno | Warrant Exercise | Unrestricted | S-1 |
| 3/13/2023 | Issuance | 3,000 | Common | \$77.50 | Yes | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 3/13/2023 | Issuance | 320 | Common | \$77.50 | No | Gregory Castaldo | Warrant Exercise | Unrestricted | S-1 |
| 3/14/2023 | Issuance | 88 | Common | \$56.50 | No | Punch Inc; Tom Punch | Services | Restricted | N/A |
| 3/27/2023 | Issuance | 579 | Common | \$65 | No | Elizabeth Palughi | Services | Restricted | N/A |
| 3/27/2023 | Issuance | 116 | Common | \$65 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |
| 3/27/2023 | Issuance | 3,091 | Common | \$65 | No | Christian Johnson | Services | Restricted | N/A |
| 4/26/2023 | Issuance | 450 | Common | \$57 | No | Integra Consulting Group LLC; Jeremy Roe | Services | Restricted | N/A |
| 4/26/2023 | Issuance | 200 | Common | \$57 | No | John Luppo | Services | Restricted | N/A |
| 4/26/2023 | Issuance | 500 | Common | \$57 | No | Luppo Ministries; John Luppo | Services | Restricted | N/A |
| 4/26/2023 | Issuance | 200 | Common | \$57 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |
| 5/3/2023 | Issuance | 2,820 | Common | \$44 | No | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 5/3/2023 | Issuance | 5,459 | Common | \$44 | No | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 5/16/2023 | Issuance | 750 | Common | \$35 | No | FirstFire Global Opportunities Fund LLC; Eli Fireman | Loan Incentive | Restricted | N/A |
| 5/30/2023 | Issuance | 1,139 | Common | \$28 | No | Henry Springer | Note Conversion | Restricted | N/A |
| 5/30/2023 | Issuance | 463 | Common | \$28 | No | Mark DeLuca | M&A | Restricted | N/A |
| 5/30/2023 | Issuance | 520 | Common | \$28 | No | Stephanie Roy Dufault | M&A | Restricted | N/A |

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|-----------|----------|--------|--------|---------|----|--|------------------|--------------|----------|
| 5/31/2023 | Issuance | 200 | Common | \$28.50 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 2,765 | Common | \$21.50 | No | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 6/20/2023 | Issuance | 2,356 | Common | \$21.50 | No | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 6/20/2023 | Issuance | 3,022 | Common | \$21.50 | No | Jeremy Frommer | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 2,500 | Common | \$21.50 | No | Justin Maury | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 2,000 | Common | \$21.50 | No | Peter Majar | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 100 | Common | \$21.50 | No | Chelsea Pullano | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 500 | Common | \$21.50 | No | Erica Wagner | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 1,150 | Common | \$21.50 | No | Robert Tal | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 2,000 | Common | \$21.50 | No | Eric Pickens | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 100 | Common | \$21.50 | No | Gina Callea | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 333 | Common | \$21.50 | No | Christopher Riggio | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 333 | Common | \$21.50 | No | Gina Bochis | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 333 | Common | \$21.50 | No | Rachel David | Services | Restricted | N/A |
| 6/20/2023 | Issuance | 100 | Common | \$21.50 | No | Jessica Lee | Services | Restricted | N/A |
| 6/29/2023 | Issuance | 1,000 | Common | \$22 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |
| 6/29/2023 | Issuance | 1,300 | Common | \$22 | No | John Luppò | Services | Restricted | N/A |
| 6/30/2023 | Issuance | 200 | Common | \$22.50 | No | Angela Hein | M&A | Restricted | N/A |
| 6/30/2023 | Issuance | 200 | Common | \$22.50 | No | Heidi Brown | M&A | Restricted | N/A |
| 7/10/2023 | Issuance | 866 | Common | \$12.50 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Warrant Exercise | Unrestricted | S-1 |
| 7/10/2023 | Issuance | 10,395 | Common | \$12.50 | No | Joseph Reda | Warrant Exercise | Unrestricted | S-1 |
| 7/10/2023 | Issuance | 4,428 | Common | \$12.50 | No | Gregory Castaldo | Warrant Exercise | Unrestricted | S-1 |
| 7/10/2023 | Issuance | 2,310 | Common | \$12.50 | No | Andrew Arno | Warrant Exercise | Unrestricted | S-1 |
| 7/10/2023 | Issuance | 481 | Common | \$12.51 | No | Brio Capital Master Fund Ltd.; Shaye Hirsch | Warrant Exercise | Unrestricted | S-1 |
| 7/11/2023 | Issuance | 4,500 | Common | \$36.50 | No | Coventry Enterprises LLC; Jack Bodenstein | Loan Incentive | Unrestricted | S-1 |
| 7/28/2023 | Issuance | 2,188 | Common | \$20.50 | No | Nicholas Scibilia | M&A | Restricted | N/A |
| 7/31/2023 | Issuance | 4,000 | Common | \$21 | No | Quick Capital LLC; Eilon Natan | Loan Incentive | Restricted | N/A |
| 8/28/2023 | Issuance | 1,047 | Common | \$16 | No | Joseph Reda | Note Conversion | Unrestricted | Rule 144 |
| 8/28/2023 | Issuance | 10,000 | Common | \$16 | No | Joseph Reda | Note Conversion | Unrestricted | Rule 144 |
| 9/5/2023 | Issuance | 200 | Common | \$17 | No | John Luppò | Services | Restricted | N/A |
| 9/5/2023 | Issuance | 500 | Common | \$17 | No | Ronald Nash | Services | Restricted | N/A |
| 9/5/2023 | Issuance | 2,050 | Common | \$17 | No | Integra Consulting Group LLC; Jeremy Roe | Services | Restricted | N/A |
| 9/5/2023 | Issuance | 1,454 | Common | \$17 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |
| 9/5/2023 | Issuance | 8,255 | Common | \$11.77 | No | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 9/8/2023 | Issuance | 2,000 | Common | \$15 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |

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|------------|----------|--------|--------|---------|-----|--|-----------------|--------------|----------|
| 9/14/2023 | Issuance | 500 | Common | \$9.50 | No | Ronald Nash | Services | Restricted | N/A |
| 9/14/2023 | Issuance | 5,000 | Common | \$9.50 | No | Gladstone Corporation; Stan Elbaum | Services | Restricted | N/A |
| 9/18/2023 | Issuance | 7,717 | Common | \$8.50 | No | Joseph Reda | Note Conversion | Restricted | N/A |
| 9/26/2023 | Issuance | 1,250 | Common | \$10.50 | No | FirstFire Global Opportunities Fund LLC; Eli Fireman | Loan Incentive | Restricted | N/A |
| 10/3/2023 | Issuance | 12,000 | Common | \$7.50 | No | Joseph Reda | Note Conversion | Unrestricted | Rule 144 |
| 10/6/2023 | Issuance | 10,000 | Common | \$11 | No | Dorado Goose LLC; Tommy Wang | Loan Incentive | Restricted | N/A |
| 10/11/2023 | Issuance | 3,056 | Common | \$15 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Note Conversion | Unrestricted | Rule 144 |
| 10/13/2023 | Issuance | 343 | Common | \$18.50 | No | Andrew Arno | Note Conversion | Unrestricted | Rule 144 |
| 10/13/2023 | Issuance | 11,507 | Common | \$18.50 | No | Laurie Weisberg | Services | Restricted | N/A |
| 10/20/2023 | Issuance | 8,485 | Common | \$8.84 | No | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 10/23/2023 | Issuance | 2,941 | Common | \$8.50 | No | James Satloff TTEE Dustin Nathaniel Satloff 06/01/93 | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 2,941 | Common | \$8.50 | No | James Satloff TTEE Jean Satloff Trust 08/07/96 | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 2,941 | Common | \$8.50 | No | James Satloff & Emily Satloff JTEN | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 2,941 | Common | \$8.50 | No | James Satloff TTEE Emily U Satloff FFamily Trust 03/25/93 | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 2,000 | Common | \$8.50 | No | Gregory Castaldo | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 5,000 | Common | \$8.50 | No | Joseph Reda | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 2,000 | Common | \$8.50 | No | Jonathan Schechter | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 3,493 | Common | \$8.50 | No | L1 Capital Global Opportunities Master Fund; David Feldman | Cash | Restricted | N/A |
| 10/23/2023 | Issuance | 3,000 | Common | \$11 | No | FirstFire Global Opportunities Fund LLC; Eli Fireman | Loan Incentive | Restricted | N/A |
| 10/27/2023 | Issuance | 2,250 | Common | \$8.50 | No | Gina Callea | Services | Restricted | N/A |
| 10/27/2023 | Issuance | 2,250 | Common | \$8.50 | No | Rachel David | Services | Restricted | N/A |
| 11/1/2023 | Issuance | 10,000 | Common | \$8 | No | Auctus Fund LLC; Lou Posner | Loan Incentive | Restricted | N/A |
| 11/2/2023 | Issuance | 13,053 | Common | \$9 | No | Quick Capital LLC; Eilon Natan | Loan Incentive | Restricted | N/A |
| 11/3/2023 | Issuance | 8,058 | Common | \$5.44 | Yes | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 11/9/2023 | Issuance | 20,000 | Common | \$6.50 | No | Lucosky Brookman LLP; Seth Brookman | Services | Restricted | N/A |
| 11/9/2023 | Issuance | 2,000 | Common | \$6.50 | No | Ayelet Abitbul | Services | Restricted | N/A |
| 11/20/2023 | Issuance | 7,342 | Common | \$4.61 | Yes | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 11/27/2023 | Issuance | 9,000 | Common | \$7 | No | FirstFire Global Opportunities Fund LLC; Eli Fireman | Loan Incentive | Restricted | N/A |
| 11/30/2023 | Issuance | 6,870 | Common | \$4.37 | Yes | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 12/1/2023 | Issuance | 4,688 | Common | \$6 | Yes | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 12/5/2023 | Issuance | 5,172 | Common | \$5 | Yes | Joseph Reda | Note Conversion | Unrestricted | Rule 144 |

| | | | | | | | | | |
|------------|----------|--------|--------|--------|-----|--|-----------------|--------------|----------|
| 12/6/2023 | Issuance | 15,000 | Common | \$4.50 | Yes | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 12/11/2023 | Issuance | 5,748 | Common | \$4 | Yes | 1800 Diagonal Lending LLC; Curt Kramer | Note Conversion | Unrestricted | Rule 144 |
| 12/12/2023 | Issuance | 10,116 | Common | \$3.59 | Yes | Coventry Enterprises LLC; Jack Bodenstein | Cash | Unrestricted | S-1 |
| 12/15/2023 | Issuance | 16,000 | Common | \$5 | No | Joseph Reda | Note Conversion | Unrestricted | Rule 144 |
| 12/22/2023 | Issuance | 22,000 | Common | \$5 | No | FirstFire Global Opportunities Fund LLC; Eli Fireman | Loan Incentive | Restricted | N/A |

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: Yes: (If yes, you must complete the table below)

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder. *** You must disclose the control person(s) for any entities listed. | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|--|--|---|
| 4/30/2020 | \$198,577 | \$282,432 | \$9,929 | 4/30/2022 | N/A | Kabbage Funding | Loan |
| 5/31/2022 | \$495,000 | \$495,000 | \$89,100 | 11/30/2022 | \$500 | Lind Global Fund II LP; Jeff Easton | Loan |
| 5/31/2022 | \$495,000 | \$495,000 | \$89,100 | 11/30/2022 | \$500 | Lind Global Macro Fund LP; Jeff Easton | Loan |
| 9/15/2022 | \$60,001 | \$150,000 | \$8,718 | 3/31/2023 | \$5 | Andrew Arno | Loan |
| 9/15/2022 | \$14,286 | \$300,000 | \$1,937 | 3/31/2023 | \$5 | Anson East Master Fund LP; Amin Nathoo | Loan |
| 9/15/2022 | \$200,000 | \$200,000 | \$27,123 | 3/31/2023 | \$5 | Anson East Master Fund LP; Amin Nathoo | Loan |
| 9/15/2022 | \$57,142 | \$1,200,000 | \$7,749 | 3/31/2023 | \$5 | Anson Investments Master Fund LP; Amin Nathoo | Loan |

| | | | | | | | |
|------------|-----------|-----------|-----------|------------|---|--|------|
| 9/15/2022 | \$800,000 | \$800,000 | \$108,493 | 3/31/2023 | \$5 | Anson Investments Master Fund LP; Amin Nathoo | Loan |
| 9/15/2022 | \$107,142 | \$250,000 | \$14,530 | 3/31/2023 | \$5 | Brio Capital Master Fund Ltd.; Shaye Hirsch | Loan |
| 9/15/2022 | \$14,286 | \$300,000 | \$1,937 | 3/31/2023 | \$5 | Gregory Castaldo | Loan |
| 9/15/2022 | \$200,000 | \$200,000 | \$27,123 | 3/31/2023 | \$5 | Gregory Castaldo | Loan |
| 9/15/2022 | \$76,160 | \$650,000 | \$72,652 | 3/31/2023 | \$5 | Joseph Reda | Loan |
| 9/15/2022 | \$227,143 | \$150,000 | \$34,873 | 3/31/2023 | \$5 | L1 Capital Global Opportunities Master Fund; David Feldman | Loan |
| 12/12/2022 | \$250,000 | \$750,000 | \$24,932 | 4/24/2023 | \$100 | Dorado Goose, LLC; Tommy Wang | Loan |
| 3/31/2023 | \$0 | \$129,250 | \$12,925 | 3/31/2024 | Convertible after 180 days at 65% of the lowest closing bid price in the previous 10 trading days | 1800 Diagonal Lending LLC; Curt Kramer | Loan |
| 4/20/2023 | \$41,213 | \$130,000 | \$247 | 12/31/2023 | N/A | Arthur Rosen | Loan |
| 4/24/2023 | \$65,167 | \$109,250 | \$7,513 | 5/2/2024 | Convertible after 180 days at 65% of the lowest closing bid price in the previous 10 trading days | 1800 Diagonal Lending LLC; Curt Kramer | Loan |
| 5/16/2023 | \$213,878 | \$275,000 | \$17,253 | 5/16/2024 | \$37.50 | FirstFire Global Opportunities Fund LLC; Eli Fireman | Loan |
| 5/24/2023 | \$31,146 | \$86,250 | \$5,222 | 2/23/2024 | N/A | 1800 Diagonal Lending LLC; Curt Kramer | Loan |
| 7/11/2023 | \$276,429 | \$300,000 | \$14,219 | 7/10/2024 | N/A | Coventry Enterprises | Loan |
| 7/27/2023 | \$143,000 | \$143,000 | \$6,151 | 7/24/2024 | Convertible after 180 days at 65% of the lowest closing bid price in the previous 10 trading days | 1800 Diagonal Lending LLC; Curt Kramer | Loan |
| 7/31/2023 | \$253,410 | \$261,250 | \$14,687 | 4/30/2024 | N/A | Quick Capital LLC; Eilon Natan | Loan |

| | | | | | | | |
|-----------|-----------|-----------|---------|------------|-----|-----------------|------|
| 8/23/2023 | \$137,448 | \$38,997 | N/A | 2/20/2025 | N/A | Stripe | Loan |
| 9/28/2023 | \$112,273 | \$112,273 | \$4,340 | 4/30/2024 | N/A | Radium Capital | Loan |
| 11/1/2023 | \$111,111 | \$111,111 | \$1,826 | 10/31/2024 | \$8 | Auctus Fund LLC | Loan |

*****Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Overview

Cretd, Inc. provides economic opportunities for creators through access to its curated social platform called Vocal, enabling creators to share their stories, build an audience, and be rewarded. In addition to revenues generated directly from the platform from subscribers and microtransactions, the existence of Vocal, and the first-party data it produces, has resulted in the creation of numerous derivative business opportunities for the Company. Secondary opportunities with the potential to eventually exceed the core Vocal revenues include well-known brands activating through the Vocal platform under Cretd's "Vocal for Brands" business unit.

Creator-Centric Strategy

Cretd exists to support the boundless capacity of creators. Our mission is to empower creators by providing best-in-class tools, supportive audience communities, and avenues for monetization. Our creator-first approach is the cornerstone of our culture and purpose and is what drives every decision we make. We are committed to channeling our resources toward fueling the dreams and ambitions of creators and helping them to unleash their full potential.

That's why we built our flagship proprietary technology platform, Vocal—a home base for creators offering an unparalleled suite of digital tools and resources, curated communities, and monetization opportunities.

Application of First-Party Data

First-party data is information that a creator platform collects directly from its users, such as their demographics, interests, and behaviors. By utilizing this data, Vocal's creator platform can gain insights into its users' preferences and tailor marketing campaigns accordingly.

For example, a large segment of Vocal users is interested in health and fitness, as evidenced through the Longevity community. This information can additionally be used not only to create more personalized experiences for Vocal audiences, but additionally to help fitness-oriented brands create targeted campaigns for workout equipment, supplements, or fitness apparel. With our ability to understand users' niche interests and behaviors, the platform can create campaigns that resonate with its audience and drive better engagement and conversions.

The use of first-party data also helps the creator platform maintain a closer relationship with its users, as it enables a more personalized experience of content consumption and engagement for Vocal users. This can lead to higher retention rates, increased user loyalty, and improved user satisfaction. Finally, our business intelligence team pairs first-party Vocal data with third-party data from

distribution platforms such as Instagram, TikTok, Twitter, and Snapchat providing a more granular profile of creators, brands, and audiences. By generating this valuable first-party data, the Company can continually enrich and refine its targeting capabilities for branded content marketing and creator acquisition, specifically, to reduce creator acquisition costs (CAC) and subscriber acquisition costs (SAC).

Competitive Advantage

The idea for Vocal came as a response to what Creatd’s founders recognized as systemic flaws inherent to the digital media industry and its operational infrastructures, and the competitive advantage that a closed and safe platform ecosystem would provide. First-party data is widely understood as a tool for companies to collect and analyze data about their users directly from the source, providing valuable insights into their behaviors, preferences, and interests. Importantly, by leveraging this data within a closed and safe platform ecosystem, companies can create more personalized experiences for their users, deliver more relevant content and advertising, and increase user engagement and retention.

A secondary, and crucial, advantage of a closed ecosystem is that it allows companies to control the user experience and ensure a high level of safety and security. By controlling the data that is shared and the interactions that take place within the ecosystem, companies can minimize the risk of fraud, abuse, and other harmful behaviors that can undermine user trust and loyalty. This can be particularly important in industries where user safety and privacy are paramount, such as social networking, e-commerce, and financial services.

Finally, the existence of Vocal and its ecosystem enables the Company to optimize our operations and increase efficiencies, effectively creating a more defensible business model by reducing the risk of competition and disintermediation. By controlling the data and interactions within the ecosystem, we create barriers to entry for competitors and reduce the risk of users migrating to other platforms. This can be particularly important in an industry such as Creatd’s, in which network effects and economies of scale are critical to success, such as social networking, e-commerce, and digital advertising.

Leveraging these advantages has enabled the Company to differentiate itself in the market, attract and retain users, and drive sustainable growth and profitability.

Acquisition Strategy

Creatd’s strategic business line expansion has led to the acquisition of several complementary businesses. These acquisitions have allowed Creatd to expand its reach and diversify its revenue streams, enabling the company to leverage its internal resources and expertise to drive continued growth. In addition, the acquisitions have provided opportunities for cost synergies and operational efficiencies, further enhancing the company’s profitability and positioning it for long-term success.

B. List any subsidiaries, parent company, or affiliated companies.

| Name of combined affiliate | State or other jurisdiction of incorporation or organization | Company Ownership Interest |
|-----------------------------------|---|-----------------------------------|
| Jerrick Ventures LLC | Delaware | 100% |
| Abacus Tech Pty Ltd | Australia | 100% |
| CEOBloc, LLC | Delaware | 100% |
| OG Collection, Inc. | Delaware | 89% |
| Vocal, Inc. | Nevada | 100% |

C. Describe the issuers' principal products or services.

Vocal

Our flagship technology, Vocal, provides the Company with a core platform that is highly scalable on its own but also provides the foundation upon which other revenue sources rely. The first direct core business of Vocal has proven to be a scalable revenue source: Creator Subscriptions. The core will be augmented in the near term with the introduction of the ability for writers and creators to monetize their followings further by directly charging for premium content such as newsletters. Vocal will charge a recurring commission on these new premium content subscriptions. As discussed above, the core Vocal platform underlies numerous derivative revenue sources for the Company.

Since its launch in 2016, Vocal has quickly become the go-to platform for content creators of all kinds, with over 1.5 million registered creators and counting. Whether you're a blogger, social media influencer, podcaster, founder, musician, photographer, or anything in between, Vocal has everything you need to unleash your creativity and monetize your content.

Creators can opt to use Vocal for free, or upgrade to the premium membership tier, Vocal+. Upon joining Vocal, either as a freemium or premium member, creators can immediately begin to utilize Vocal's storytelling tools to create and publish their stories, as well as benefit from Vocal's monetization features.

At Creatd, we believe in rewarding creators for their hard work and dedication. That's why we offer a range of monetization features on Vocal, whereby creators earn in numerous ways including i) the number of 'reads' their story receives; ii) via Vocal Challenges, or writing contests with cash prizes; iii) receiving Bonuses; iv) by participating in Vocal for Brands marketing campaigns; v) through 'Subscribe,' which enables creators to receive payment directly from their audience via monthly subscriptions and one-off microtransactions; vi) via Vocal's Ambassador Program, which enables creators to be compensated for referring new premium members. But what sets Vocal apart from other platforms is our commitment to innovation and scalability. Built on Keystone, the same open-source framework used by industry leaders in the SaaS space, Vocal's technology is designed for speed, sustainability, and scalability. And with our capital-light infrastructure and focus on research and development, we are able to continuously improve and enhance the platform, without incurring the operational costs that have weighed down legacy media platforms.

Creatd firmly believes that the future belongs to creators. And with Vocal, we're proud to be leading the charge in providing them with the tools, resources, and opportunities they need to succeed.

Branded Content

In developing our creator ecosystem, we came to understand that like individual creators, all brands have a unique story to tell. That's why we've developed Vocal for Brands, our in-house content studio that specializes in creating best-in-class organic marketing campaigns. Our approach combines the production of branded content influencer and performance marketing initiatives that work together to increase sales, revenue, visibility, and brand affinity for our clients.

We work with leading brands to pair them with our network of creators, tapping into their communities to help share their stories in a way that is engaging, direct-response driven, and non-interruptive. Similarly, through Sponsored Challenges, we prompt the creation of thousands of high-quality stories that are centered around the brand's mission, further disseminated through creators' respective social channels and promotional outlets.

Our campaigns are amplified with the help of Vocal's first-party data insights, allowing us to create highly targeted, segmented audiences for brands with optimal results.

Consumer Products Group

During 2023 and 2022, our Consumer Products Group was composed of four brands, and grew to become a significant revenue contributor. The Company's Consumer Products portfolio currently included:

Camp, a direct-to-consumer (DTC) food brand which creates healthy upgrades to classic comfort food favorites. Each of Camp's products is created with servings of vegetables and contains Vitamins A, C, D, E, B1, and B6. Since its launch in 2020, Camp continues to add new products to its line of healthy, veggie-based, family-friendly foods, with flavors including Classic Cheddar Mac 'N' Cheese, White Cheddar Mac 'N' Cheese, Vegan Cheezy Mac, and Twist Veggie Pasta.

Dune Glow Remedy ("Dune"), which the Company purchased and brought to market in 2021, is a beverage brand focused on promoting wellness and beauty from within. Each beverage in Dune's product line is meticulously crafted with functional ingredients that nourish skin from the inside out and enhance one's natural glow. During 2022, Dune has continued to advance its retail and wholesale distribution strategy, securing numerous partnerships including with lifestyle retailer Urban Outfitters, Equinox, and the Los Angeles-based Erewhon Market.

Basis is a hydrating electrolyte drink mix that was acquired in the first quarter of 2022. This brand has a history of strong sales volume both on the brand's website as well as through third-party distribution channels such as Amazon.

Brave is a plant-based food company that provides convenient and healthy breakfast food products. Our Company acquired 100% of the membership interests of Brave Foods, LLC in September 2022. What started as a search for a better morning routine evolved into a business serving thousands of go-getters of every type. We are thrilled to have these amazing brands as part of our portfolio and we are excited to continue expanding our Consumer Products portfolio.

During 2023, the Consumer Products segment was discontinued, with Basis and Brave being acquired by a third party and Camp and Dune ceasing operations (see Note 13 – Discontinued Operations).

IP Development and Production

At Creatd, we're always looking for ways to bring our creators' stories to new audiences across different media. Our IP Development and Production efforts involve partnering with our top creators to develop their content for television, film, podcasts, and print. With our cutting-edge Vocal platform, we have access to a wealth of intellectual property that's constantly being curated by a blend of human moderation and advanced machine learning models. Our Vocal technology allows us to analyze community, creator, and audience insights to surface the best candidates for transmedia adaptations. We're committed to leveraging our vast library of compelling stories to create engaging and impactful content across multiple platforms. As of early 2023, Creatd announced a series of newly released and production projects. They include podcasts, books, and Web 3.0 opportunities.

Revenue Model

Creatd's revenues are primarily generated through:

Platform: Creatd's flagship technology product, Vocal, generates revenues through subscription fees from premium Vocal creators, a membership program known as Vocal+. The Vocal+ subscription offering provides creators with increased monetization and access to premium tools and features. At approximately \$10 per month, Vocal+ offers creators a strong value proposition for freemium users to upgrade, while providing a scalable source of monthly recurring gross revenue for Creatd. Additional platform-based revenues are generated from Tipping and other transactions that occur on the platform. For each such transaction, which are designed to enable Vocal audiences to engage and support their favorite creators, Vocal takes platform processing fees ranging from approximately 3% to 7%.

E-commerce: The majority of the Company's e-commerce revenues came from sales associated with Creatd's portfolio of internally owned and operated e-commerce businesses, Camp, Dune, Basis, and Brave. Additionally, the Company's e-commerce strategy involves revitalizing archival imagery and media content in dormant legacy portfolios. Creatd maintains an exclusive license to leverage the stories housed on Vocal, reimagining them for films, episodic shows, games, graphic novels, collectibles, books, and more. See Note 13 – Discontinued Operations for more information on the impact of the discontinuation of this business segment on the reporting of these revenues.

Agency: The Company derives revenues from marketing partnerships through its internal branded content studio, Vocal for Brands, which specializes in pairing leading brands with select Vocal creators to produce content marketing campaigns, including sponsored Challenges, that leverage the power of Vocal. Branded stories and Challenges are distributed to a targeted audience based on Vocal's first-party data, and are optimized for conversions to maximize revenue growth.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company currently does not own any properties. As of December 31, 2023, our corporate headquarters consisted of a total of approximately 8,000 square feet located at 419 Lafayette Street, 6th Floor New York, NY 10003. Subsequent to December 31, 2023, the Company reached an agreement with the landlord to terminate this lease agreement and is now a remote-only company with a mailing address of 1111B S Governors Ave, STE 20721, Dover, DE 19904.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

| Names of All Officers, Directors, and Control Persons | Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more) | Residential Address (City / State Only) | Number of shares owned | Share type/class | Ownership Percentage of Class Outstanding | Names of control person(s) if a corporate entity |
|---|---|---|------------------------|------------------|---|--|
| Jeremy Frommer | CEO | Fort Lee, NJ | 214,188 | Common | 7.65% | |

| | | | | | | |
|----------------|------------------|--------------|---------|----------|--------|-------------|
| Justin Maury | COO | Fort Lee, NJ | 202,544 | Common | 7.24% | |
| Robert Tal | CIO | Oakhurst, NJ | 161,677 | Common | 5.78% | |
| Peter Majar | Director | New York, NY | 194,916 | Common | 6.96% | |
| Erica Wagner | Director | London, ENG | 104,107 | Common | 3.72% | |
| Joseph Reda | Beneficial Owner | New York, NY | 182,201 | Common | 6.51% | |
| Anson Funds | Beneficial Owner | Toronto, CA | 270,000 | Common | 9.65% | Amin Nathoo |
| Jeremy Frommer | CEO | Fort Lee, NJ | 849,003 | Warrants | 27.28% | |
| Justin Maury | COO | Fort Lee, NJ | 187,948 | Warrants | 6.04% | |
| Robert Tal | CIO | Oakhurst, NJ | 159,372 | Warrants | 5.12% | |
| Peter Majar | Director | New York, NY | 188,500 | Warrants | 6.06% | |
| Erica Wagner | Director | London, ENG | 100,718 | Warrants | 3.24% | |
| Joseph Reda | Beneficial Owner | New York, NY | 5,556 | Warrants | 0.18% | |
| Jeremy Frommer | CEO | Fort Lee, NJ | 413,148 | Options | 19.92% | |
| Justin Maury | COO | Fort Lee, NJ | 412,894 | Options | 19.91% | |
| Robert Tal | CIO | Oakhurst, NJ | 395,331 | Options | 19.07% | |
| Peter Majar | Director | New York, NY | 228,256 | Options | 11.01% | |
| Erica Wagner | Director | London, ENG | 108,756 | Options | 5.24% | |

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

Except as set forth below, we are currently not aware of any such legal proceedings or claims that will have, individually or in aggregate, a material adverse effect on our business, financial condition or operating results.

Skube v. WHE Agency Inc., et al

A complaint against WHE, Creatd and Jeremy Frommer filed December 22, 2022, was filed in the Supreme Court of the State of New York, New York County, by Jessica Skube, making certain claims alleging conversion, trespass to chattel, unjust enrichment, breach of contract, fraud in the inducement, seeking damages of \$161,000 and punitive damages of \$500,000. Skube filed an Order to Show Cause, which the Company opposed, which was denied. Given the premature nature of this case, it is still too early for the Company to make an assessment as to liability.

Lind Global v. Creatd, Inc.

A complaint against Creatd dated September 21, 2022, has been filed in the Supreme Court of the State of New York, New York County, by Lind Global Macro Fund LP and Lind Global Fund II LP, making certain claims alleging breach of contract related to two Securities Purchase Agreements executed on May 31, 2022, seeking damages in excess of \$920,000. The Company filed a Motion to Dismiss, which is currently pending. The Company has settled this matter subsequent to December 31, 2023.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Joseph Lucosky
Firm: Lucosky Brookman LLP
Address 1: 101 Wood Avenue South
Address 2: Woodbridge, NJ 08830
Phone: 732-395-4400
Email: jlucosky@lucbro.com

Accountant or Auditor

Name: Alison Douglas
Firm: Astra Audit & Advisory LLC
Address 1: 13902 North Dale Mabry Highway,
Address 2: Suite 131, Tampa, FL 33618
Phone: 813-441-9707
Email: adouglas@theaerosolution.com

Investor Relations

N/A

Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

None other than below

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Chelsea Pullano
Title: Managing Partner of MACK Financial Solutions, LLC
Relationship to Issuer: Finance & Accounting Consultants

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Chelsea Pullano & Max Avellaneda

Title: Managing Partners of MACK Financial Solutions, LLC
Relationship to Issuer: Finance & Accounting Consultants

Describe the qualifications of the person or persons who prepared the financial statements:²⁵
Max Avellaneda: Senior management and accounting professional with over 15 years of experience in finance, accounting, and business management.
Chelsea Pullano: C-Level leader with extensive expertise in executive-level accounting, financial planning, and investor relations.

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be “machine readable”. Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Jeremy Frommer, certify that:

1. I have reviewed this Disclosure Statement for Creatd, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects

²⁵ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 28, 2024

/s/ Jeremy Frommer

Principal Financial Officer:

I, Jeremy Frommer, certify that:

1. I have reviewed this Disclosure Statement for Creatd, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

June 28, 2024

/s/ Jeremy Frommer

CREATD, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023

Forward-Looking Statements

In addition to historical information this Annual Report contains forward-looking statements regarding future events relating to such matters as anticipated financial performance, business prospects, technological developments, new products, research and development activities and similar matters. The Private Securities Litigation Reform Act of 1995, the Securities Act of 1933 and the Securities Exchange Act of 1934 provide safe harbors for forward-looking statements. In order to comply with the terms of these safe harbors, the Company notes that a variety of factors could cause the Company's actual results and experience to differ materially and adversely from the anticipated results or other expectations expressed in the Company's forward-looking statements. The risks and uncertainties that may affect the operation, performance, development and results of the Company's business include, but are not limited to, those matters discussed herein. The words "believe," "expect," "anticipate," "project," "target," "intend," "plan," "seek," "estimate," "endeavor," "should," "could," "may" and similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to projections for our future financial performance, our anticipated growth trends in our business and other characterizations of future events or circumstance are forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risk factors described in other documents the Company has filed from time to time with the Securities and Exchange Commission, including without limitation, the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on April 19, 2023.

Creatd, Inc.
Consolidated Balance Sheets
(Unaudited)

| | <u>December 31,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--|------------------------------------|------------------------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 71,105 | \$ 673,774 |
| Accounts receivable, Net | - | \$ 152,571 |
| Inventory | - | \$ 30,125 |
| Prepaid expenses and other current assets | - | \$ 87,866 |
| Discontinued Operations net Current assets | 2,150 | 534,828 |
| Total Current Assets | 73,255 | 1,479,164 |
| Property and equipment, net | 84,143 | 212,545 |
| Intangible assets | - | 22,783 |
| Deposits and other assets | 83,617 | 794,631 |
| Operating lease right of use asset | 1,923,112 | 2,054,265 |
| Discontinued Operations net Non-current assets | - | 256,361 |
| Total Assets | \$ 2,164,127 | \$ 4,819,749 |
| Liabilities and Stockholders' Deficit | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 10,626,405 | \$ 5,433,398 |
| Convertible Notes, net of debt discount and issuance costs | 5,316,117 | 5,369,599 |
| Current portion of operating lease payable | 532,689 | 326,908 |
| Note payable, net of debt discount and issuance costs | 935,390 | 1,461,520 |
| Deferred revenue | 266,037 | 275,017 |
| Derivative Liability | 3,771,809 | - |
| Discontinued Operations net Current liabilities | - | 2,340,874 |
| Total Current Liabilities | 21,448,447 | 15,207,316 |
| Non-current Liabilities: | | |
| Note payable | 30,026 | 38,014 |
| Operating lease payable | 1,574,161 | 2,077,618 |
| Total Non-current Liabilities | 1,604,187 | 2,115,632 |
| Total Liabilities | 23,052,534 | 17,322,948 |
| Commitments and contingencies | | |
| Stockholders' Equity (Deficit) | | |
| Preferred stock, \$0.001 par value, 20,000,000 shares authorized | | |
| Series E Preferred stock, \$0.001 par value, 8,000 shares authorized 450 and 500 shares issued and outstanding, respectively | - | - |
| Common stock par value \$0.001: 100,000,000 shares authorized; 507,397 issued and 507,210 outstanding as of December 31, 2023 and 78,125 issued and 77,938 outstanding as of December 31, 2022 | 508 | 78 |
| Additional paid in capital | 179,780,937 | 134,609,584 |
| Less: Treasury stock, 187 and 187 shares, respectively | (78,456) | (78,456) |
| Accumulated deficit | (201,465,546) | (146,142,373) |
| Accumulated other comprehensive income | (174,143) | (140,183) |
| Total Creatd, Inc. Stockholders' Equity | (21,936,700) | (11,751,350) |
| Non-controlling interest in consolidated subsidiaries | 1,048,192 | (751,849) |
| Total Creatd, Inc. Stockholders' Deficit | (20,888,508) | (12,503,199) |
| Total Liabilities and Stockholders' Equity (Deficit) | \$ 2,164,127 | \$ 4,819,749 |

The accompanying notes are an integral part of these consolidated financial statements.

Creatd, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

| | For the Year Ended December 31, 2023 | For the Year Ended December 31, 2022 |
|--|---|---|
| Net revenue | \$ 1,916,453 | \$ 2,323,327 |
| Cost of revenue | 1,076,651 | 2,633,088 |
| Gross margin (loss) | 839,802 | (309,761) |
| Operating expenses | | |
| Compensation | 3,104,284 | 3,072,796 |
| Research and development | 362,013 | 951,414 |
| Marketing | 838,603 | 3,025,088 |
| Stock based compensation | 9,412,288 | 4,183,844 |
| Impairment of goodwill | - | - |
| Impairment of intangible assets | 13,334 | 137,296 |
| General and administrative | 3,655,771 | 8,443,838 |
| Total operating expenses | 17,386,294 | 19,814,276 |
| Loss from operations | (16,546,493) | (20,124,037) |
| Other income (expenses) | | |
| Other income | 109,931 | - |
| Interest expense | (1,073,822) | (817,070) |
| Accretion of debt discount and issuance cost | (7,509,900) | (4,660,952) |
| Change in derivative liability | 1,349,563 | 3,729 |
| Impairment of investment | - | (50,000) |
| Settlement of vendor liabilities | 371,586 | (265,717) |
| Loss on marketable securities | - | (11,742) |
| Gain (loss) on extinguishment of debt | - | (832,482) |
| Total Other income (expenses) | (6,752,643) | (6,634,234) |
| Loss from Continuing Operations | | (26,758,271) |
| Loss from Discontinued Operations | (934,546) | (8,918,044) |
| Loss before income tax provision | (24,233,681) | (35,676,314) |
| Income tax provision | - | - |
| Net loss | \$ (24,233,681) | \$ (35,676,314) |
| Net loss attributable to non-controlling interest arising from: | | |
| Continuing Operations | 35,435 | 47,441 |
| Discontinued Operations | - | 3,335,603 |
| Net loss attributable to non-controlling interest | 35,435 | 3,383,044 |
| Net Loss attributable to Creatd, Inc. arising from: | | |
| Continuing Operations | (24,233,681) | (26,710,830) |
| Discontinued Operations | - | (5,582,441) |
| Net loss attributable to Creatd, Inc. | (24,233,681) | (32,293,271) |
| Deemed dividend | (30,975,499) | (4,216,528) |
| Inducement expense | (149,429) | - |
| Net loss attributable to common shareholders | \$ (55,358,610) | \$ (36,509,799) |
| Comprehensive loss | | |
| Net loss | (24,233,681) | (35,676,315) |
| Currency translation gain (loss) | (33,960) | (61,911) |
| Comprehensive loss | \$ (24,267,641) | \$ (35,738,226) |
| Per-share data | | |
| Basic and diluted loss per share from continuing operations | \$ (0.47) | \$ (1.25) |
| Basic and diluted loss per share from discontinued operations | \$ - | \$ (0.41) |
| Basic and diluted loss per share | \$ (0.47) | \$ (1.66) |
| Weighted average number of common shares outstanding | 118,606,984 | 22,035,260 |

The accompanying notes are an integral part of these consolidated financial statements.

Creatd, Inc.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)
(Unaudited)

| | Series E Preferred Stock | | Common Stock | | Treasury stock | | Additional Paid In | Accumulated | Non- Controlling | Other Comprehensive | Stockholders' Equity |
|---|-----------------------------|--------|--------------|--------|----------------|-------------|-----------------------|------------------|---------------------|------------------------|-------------------------|
| | Shares | Amount | Shares | Amount | Shares | Amount | Capital | Deficit | Interest | Income | (Deficit) |
| Balance, January 1, 2022 | 500 | \$ - | 33,382 | \$ 33 | (11) | \$ (62,406) | \$ 111,580,276 | \$ (109,632,574) | \$ 1,881,195 | \$ (78,272) | \$ 3,688,252 |
| Conversion of preferred series E to stock | (50) | - | 24 | - | - | - | - | - | - | - | \$ - |
| Stock based compensation | - | - | 888 | 1 | - | - | 4,087,403 | - | - | - | \$ 4,087,404 |
| Shares issued to settle vendor liabilities | - | - | 615 | 1 | - | - | 410,498 | - | - | - | \$ 410,499 |
| Shares issued for prepaid services | - | - | 300 | - | - | - | 141,150 | - | - | - | \$ 141,150 |
| Shares issued for in process research and development | - | - | 115 | - | - | - | 40,995 | - | - | - | \$ 40,995 |
| BCF issued with note payable | - | - | - | - | - | - | 2,008,227 | - | - | - | \$ 2,008,227 |
| Exercise of warrants to stock | - | - | 18,346 | 18 | - | - | 1,781,929 | - | - | - | \$ 1,781,947 |
| Purchase of treasury stock | - | - | - | - | (175) | (16,050) | - | - | - | - | \$ (16,050) |
| Stock warrants issued with note payable | - | - | - | - | - | - | 3,149,270 | - | - | - | \$ 3,149,270 |
| Cash received for common stock and warrants, net of issuance costs | - | - | 14,093 | 14 | - | - | 5,722,286 | - | - | - | \$ 5,722,300 |
| Stock issued with note payable | - | - | 1,630 | 2 | - | - | 409,943 | - | - | - | \$ 409,945 |
| Common stock issued upon conversion of notes payable | - | - | 8,732 | 9 | - | - | 1,061,079 | - | - | - | \$ 1,061,088 |
| Foreign currency translation adjustments | - | - | - | - | - | - | - | - | - | (61,911) | \$ (61,911) |
| Sale of non-controlling interest in OG Collection Inc. | - | - | - | - | - | - | - | - | 750,000 | - | \$ 750,000 |
| Deemed dividends | - | - | - | - | - | - | 4,216,528 | (4,216,528) | - | - | \$ - |
| Net loss for the year months ended December 31, 2022 | - | - | - | - | - | - | - | (32,293,271) | (3,383,044) | - | \$ (35,676,315) |
| Balance, December 31, 2022 | 450 | \$ - | 78,125 | \$ 78 | (186) | \$ (78,456) | \$ 134,609,584 | \$ (146,142,373) | \$ (751,849) | \$ (140,183) | \$ (12,503,199) |
| Stock based compensation | - | - | 119,367 | 119 | - | - | 9,463,819 | - | - | - | \$ 9,463,938 |
| Shares issued for acquisition of non-controlling interest in consolidated subsidiaries | - | - | 6,223 | 6 | - | - | (1,454,390) | - | 1,454,384 | - | \$ - |
| BCF issued with note payable | - | - | - | - | - | - | 2,000,000 | - | - | - | \$ 2,000,000 |
| Exercise of warrants to stock | - | - | 42,016 | 42 | - | - | 1,047,768 | - | - | - | \$ 1,047,810 |
| Shares issued with notes payable | - | - | 19,250 | 19 | - | - | 383,481 | - | - | - | \$ 383,500 |
| Cash received for common stock | - | - | 85,093 | 85 | - | - | 1,741,699 | - | - | - | \$ 1,741,784 |
| Common stock issued upon conversion of notes payable | - | - | 79,804 | 80 | - | - | 1,989,783 | - | - | - | \$ 1,989,863 |
| Common stock issued for settlement of accounts payable | - | - | 13,757 | 14 | - | - | 231,989 | - | - | - | \$ 232,003 |
| Inducement Expense | - | - | 58,202 | 58 | - | - | 446,541 | (149,429) | - | - | \$ 297,170 |
| Foreign currency translation adjustments | - | - | - | - | - | - | - | - | - | (33,959) | \$ (33,959) |
| Sale of minority interest in OG Collection Inc. | - | - | - | - | - | - | - | - | 250,000 | - | \$ 250,000 |
| Sale of minority interest in Vocal Inc | - | - | - | - | - | - | 65,808 | - | 131,093 | - | \$ 196,901 |
| Deemed Dividend | - | - | 5,459 | 5 | - | - | 30,975,494 | (30,975,499) | - | - | \$ - |
| Derivative Liability | - | - | - | - | - | - | (1,720,638) | - | - | - | \$ (1,720,638) |
| Net loss for the year ended December 31, 2023 | - | - | - | - | - | - | - | (24,198,246) | (35,435) | - | \$ (24,233,681) |
| Balance, December 31, 2023 | 450 | \$ - | 507,397 | \$ 507 | (186) | \$ (78,456) | \$ 179,780,938 | \$ (201,465,546) | \$ 1,048,193 | \$ (174,142) | \$ (20,888,508) |

The accompanying notes are an integral part of these consolidated financial statements

Creatd, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

| | For the Year Ended December 31, 2023 | For the Year Ended December 31, 2022 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$ (23,233,681) | \$ (35,676,315) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 125,255 | 156,951 |
| Impairment of investment | - | 50,000 |
| Impairment of intangible assets | 13,334 | 130,096 |
| Impairment right of use asset | - | 101,623 |
| Accretion of debt discount and issuance cost | 7,509,900 | 4,668,039 |
| Inducement expense | 149,429 | - |
| Share-based compensation | 9,412,288 | 4,183,844 |
| Shares issued for in process research and development | - | 40,994 |
| Bad debt expense | 22,540 | 32,500 |
| Settlement of vendor liabilities | 371,586 | 265,717 |
| Change in fair value of derivative liability | (1,349,563) | (3,729) |
| Loss on marketable securities | - | 11,742 |
| (Gain) loss on extinguishment of debt | - | 837,382 |
| Non cash lease expense | - | 274,784 |
| Non-controlling interest in consolidated subsidiary | (35,435) | |
| Net cash provided by (used in) Discontinued Operations | (1,358,182) | 4,915,888 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 87,866 | 126,835 |
| Inventory | 30,125 | (30,124) |
| Accounts receivable | 152,571 | (345,660) |
| Operating lease right of use asset | 131,153 | - |
| Deposits and other assets | 711,014 | (75,680) |
| Deferred revenue | (8,980) | 68,905 |
| Accounts payable and accrued expenses | 5,193,007 | 3,486,925 |
| Operating lease liability | (297,676) | (26,146) |
| Net Cash Used In Operating Activities | (3,373,450) | (16,805,429) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Cash paid for property and equipment | (28,313) | (212,249) |
| Cash paid for investments in marketable securities | - | (48,878) |
| Sale of marketable securities | - | 37,135 |
| Cash received from sale of interest in OGC | 250,000 | 750,000 |
| Cash consideration for acquisition - discontinued operations | - | (31,679) |
| Purchases of digital assets | - | (410,369) |
| Sale of digital assets | - | 289,246 |
| Net Cash Used In Investing Activities | 221,687 | 373,206 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from the exercise of warrant | 753,693 | 1,781,947 |
| Net proceeds from issuance of notes | 1,398,022 | 2,103,731 |
| Repayment of notes | (1,856,765) | (2,505,566) |
| Proceeds from issuance of convertible note | 2,851,600 | 8,391,905 |
| Repayment of convertible notes | (2,185,385) | (1,863,315) |

| | | |
|---|--------------------|-------------------|
| Proceeds from issuance of common stock and warrants | 1,727,143 | 5,722,300 |
| Proceeds from issuance of preferred stock (Vocal) | 76,808 | - |
| Purchase of treasury stock | - | (16,050) |
| Net financing cash flows from discontinued operations | (212,361) | (209,328) |
| Net Cash Provided By Financing Activities | <u>2,552,754</u> | <u>13,405,624</u> |
| Effect of exchange rate changes on cash | (33,960) | (61,911) |
| Net Change in Cash | (632,969) | (3,088,510) |
| Cash - Beginning of period | <u>706,224</u> | <u>3,794,734</u> |
| Cash - End of period | <u>\$ 73,255</u> | <u>\$ 706,224</u> |
| SUPPLEMENTARY CASH FLOW INFORMATION: | | |
| Cash Paid During the Year for: | | |
| Income taxes | \$ - | \$ - |
| Interest | <u>\$ 632,808</u> | <u>\$ 650</u> |
| SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Settlement of vendor liabilities | <u>\$ 371,586</u> | <u>\$ -</u> |
| Debt discount on convertible note | <u>43,696</u> | <u>-</u> |
| Debt discount on note payable | <u>72,268</u> | <u>-</u> |
| Beneficial conversion feature on convertible notes | <u>2,000,000</u> | <u>2,008,227</u> |
| Warrants issued with debt | <u>4,205,216</u> | <u>3,149,270</u> |
| Shares issued with debt | <u>354,500</u> | <u>\$ 409,945</u> |
| Issuance of common stock for prepaid services | <u>213,750</u> | <u>\$ 141,150</u> |
| Recognition of Right-of-use asset and corresponding operating lease liability | <u>2,077,714</u> | <u>2,412,221</u> |
| Gain/(loss) in charge of derivative liability | <u>(1,349,563)</u> | <u>-</u> |
| Common stock and warrants issued upon conversion of notes payable | <u>1,989,863</u> | <u>1,061,088</u> |
| Inducement expense | <u>149,429</u> | <u>-</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Creatd, Inc.
December 31, 2023
Notes to the Consolidated Financial Statements

Note 1 – Organization and Operations

Creatd, Inc., formerly Jerrick Media Holdings, Inc. (“we,” “us,” the “Company,” or “Creatd”), is a technology company focused on providing economic opportunities for creators, which it accomplishes through its four main business pillars: Creatd Labs, Creatd Partners, Creatd Ventures, and Creatd Studios. Creatd’s flagship product, Vocal, delivers a robust long-form, digital publishing platform organized into highly engaged niche-communities capable of hosting all forms of rich media content. Through Creatd’s proprietary algorithm dynamics, Vocal enhances the visibility of content and maximizes viewership, providing advertisers access to target markets that most closely match their interests.

The Company was originally incorporated under the laws of the State of Nevada on December 30, 1999, under the name LILM, Inc. The Company changed its name on December 3, 2013, to Great Plains Holdings, Inc. as part of its plan to diversify its business.

On February 5, 2016 (the “Closing Date”), GTPH, GPH Merger Sub, Inc., a Nevada corporation and wholly-owned subsidiary of GTPH (“Merger Sub”), and Jerrick Ventures, Inc., a privately-held Nevada corporation headquartered in New Jersey (“Jerrick”), entered into an Agreement and Plan of Merger (the “Merger”) pursuant to which the Merger Sub was merged with and into Jerrick, with Jerrick surviving as a wholly-owned subsidiary of GTPH (the “Merger”). GTPH acquired, pursuant to the Merger, all of the outstanding capital stock of Jerrick in exchange for issuing Jerrick’s shareholders (the “Jerrick Shareholders”), pro-rata, a total of 950 shares of GTPH’s common stock. In connection therewith, GTPH acquired 33,415 shares of Jerrick’s Series A Convertible Preferred Stock (the “Jerrick Series A Preferred”) and 8,064 shares of Series B Convertible Preferred Stock (the “Jerrick Series B Preferred”).

In connection with the Merger, on the Closing Date, GTPH and Kent Campbell entered into a Spin-Off Agreement (the “Spin-Off Agreement”), pursuant to which Mr. Campbell purchased from GTPH (i) all of GTPH’s interest in Ashland Holdings, LLC, a Florida limited liability company, and (ii) all of GTPH’s interest in Lil Marc, Inc., a Utah corporation, in exchange for the cancellation of 79 shares of GTPH’s Common Stock held by Mr. Campbell. In addition, Mr. Campbell assumed all debts, obligations and liabilities of GTPH, including any existing prior to the Merger, pursuant to the terms and conditions of the Spin-Off Agreement.

Upon closing of the Merger on February 5, 2016, the Company changed its business plan to that of Jerrick.

Effective February 28, 2016, GTPH entered into an Agreement and Plan of Merger (the “Statutory Merger Agreement”) with Jerrick, pursuant to which GTPH became the parent company of Jerrick Ventures, LLC, a wholly-owned operating subsidiary of Jerrick (the “Statutory Merger”) and GTPH changed its name to Jerrick Media Holdings, Inc. to better reflect its new business strategy.

On September 11, 2019, the Company acquired 100% of the membership interests of Seller’s Choice, LLC, a New Jersey limited liability company (“Seller’s Choice”), a digital e-commerce agency.

On September 9, 2020, the Company filed a certificate of amendment with the Secretary of State of the State of Nevada to change our name to “Creatd, Inc.,” which became effective on September 10, 2020.

On June 4, 2021, the Company acquired 89% of the membership interests of Plant Camp, LLC, a Delaware limited liability company (“Plant Camp”), which the Company subsequently rebranded as Camp. Camp is a direct-to-consumer (DTC) food brand which creates healthy upgrades to classic comfort food favorites. The results of Plant Camp’s operations have been included since the date of acquisition in the Statements of Operations.

On July 20, 2021, the Company acquired 44% of the membership interests of WHE Agency, Inc. WHE Agency, Inc, is a talent management and public relations agency based in New York (“WHE”). WHE has been consolidated due

to the Company's ownership of 55% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

Between October 21, 2020, and August 16, 2021, the Company acquired 21% of the membership interests of Dune, Inc. Dune, Inc. is a direct-to-consumer brand focused on promoting wellness through its range of health-oriented beverages.

On October 3, 2021, the Company acquired an additional 29% of the membership interests of Dune, Inc., bringing our total membership interests to 50%. Dune, Inc., has been consolidated due to the Company's ownership of 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On March 7, 2022, the Company acquired 100% of the membership interests of Denver Bodega, LLC, d/b/a Basis, a Colorado limited liability company ("Basis"). Basis is a direct-to-consumer functional beverage brand that makes high-electrolyte mixes meant to aid hydration. Denver Bodega, LLC has been consolidated due to the Company's ownership of 100% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On August 1, 2022, the Company acquired 51% of the membership interests of Orbit Media LLC, a New York limited liability company. Orbit is an app-based stock trading platform designed to empower a new generation of investors. Orbit has been consolidated due to the Company's ownership of 51% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On September 13, 2022, the Company acquired 100% of the membership interests of Brave Foods, LLC, a Maine limited liability company. Brave is a plant-based food company that provides convenient and healthy breakfast food products. Brave Foods, LLC has been consolidated due to the Company's ownership of 100% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On December 13, 2022, an investor entered into a Subscription Agreement whereby it purchased from OG Collection, Inc., a subsidiary of the Company ("OG"), 150,000 shares of common stock of OG for a purchase price of \$750,000, and, in connection therewith OG, the Company, and the Investor entered into a Shareholder Agreement.

On January 9, 2023, the Company acquired an additional 51% of the equity interest in WHE Agency, Inc. bringing our total ownership to 95%. WHE has been consolidated due to the Company's ownership of 55% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On January 25, 2023, the Company acquired an additional 23% equity interest in Dune, Inc. bringing our total ownership to 85%. Dune, Inc., has been consolidated due to the Company's ownership of 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On February 1, 2023, an investor entered into a Subscription Agreement whereby it purchased from OG Collection, Inc., a subsidiary of the Company ("OG"), 50,000 shares of common stock of OG for a purchase price of \$250,000, and, in connection therewith OG, the Company, and the Investor entered into a Shareholder Agreement.

On February 3, 2023, the Company acquired an additional 5% of the membership interests of Orbit Media, LLC., bringing our total membership interests to 56%. Orbit has been consolidated due to the Company's ownership of 51% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On May 30, 2023, the Company acquired an additional 15% equity interest in Dune, Inc. bringing our total ownership to 100%. Dune, Inc., has been consolidated due to the Company's ownership of 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On June 30, 2023, the Company acquired an additional 10% of the membership interests of Plant Camp, LLC, bringing our total ownership to 100%. Plant Camp, LLC has been consolidated due to the Company's ownership of

50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On July 28, 2023, the Company acquired an additional 17.5% of the membership interests of Orbit Media, LLC, bringing our total membership interests to 74%. Orbit has been consolidated due to the Company's ownership of 51% voting control, and the results of operations have been included since the date of acquisition in the Statement of Operations.

On October 8, 2023, the Company entered into an Assignment and Assumption Agreement whereby Omega Eats, LLC was assigned 92.5% of the assets owned by Creatd Ventures, LLC pertaining to the operations of Brave and Denver Bodega DBA basis in exchange for \$1 in cash consideration at closing and the assumption of \$214,295 in liabilities related to the operations of these products.

On December 6, 2023, the Company spun-out Orbit Media, LLC, retaining an 18.4% membership interest and returning the remaining membership interest to the founders. As of December 6, 2023, Orbit is no longer consolidated due to the Company's ownership of less than 50% voting control and membership interests.

Note 2 – Significant Accounting Policies and Practices

Management of the Company is responsible for the selection and use of appropriate accounting policies and the appropriateness of accounting policies and their application. Critical accounting policies and practices are those that are both most important to the portrayal of the Company's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Company's significant and critical accounting policies and practices are disclosed below as required by the accounting principles generally accepted in the United States of America.

Use of Estimates and Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with U.S. 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. The Company uses estimates in accounting for, among other items, revenue recognition, allowance for doubtful accounts, stock-based compensation, income tax provisions, excess and obsolete inventory reserve, and impairment of intellectual property.

Actual results could differ from those estimates.

Principles of consolidation

The Company consolidates all majority-owned subsidiaries, if any, in which the parent's power to control exists.

As of December 31, 2023, the Company's consolidated subsidiaries and/or entities are as follows:

| Name of combined affiliate | State or other jurisdiction of incorporation or organization | Company Ownership Interest |
|-----------------------------------|---|-----------------------------------|
| Jerrick Ventures LLC | Delaware | 100% |
| Abacus Tech Pty Ltd | Australia | 100% |
| CEOBloc, LLC | Delaware | 100% |
| OG Collection, Inc. | Delaware | 89% |
| Vocal, Inc. | Nevada | 100% |

All other previously consolidated subsidiaries have been dissolved or sold.

All inter-company balances and transactions have been eliminated.

See Note 13 – Discontinued Operations for information on previously consolidated entities that were discontinued in 2023.

Fair Value of Financial Instruments

The fair value measurement disclosures are grouped into three levels based on valuation factors:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments and market corroborated inputs)
- Level 3 – significant unobservable inputs (including our own assumptions in determining the fair value of investments)

The Company's Level 1 assets/liabilities include cash, accounts receivable, marketable trading securities, accounts payable, marketable trading securities, prepaid and other current assets, line of credit and due to related parties. Management believes the estimated fair value of these accounts at December 31, 2022 approximate their carrying value as reflected in the balance sheets due to the short-term nature of these instruments or the use of market interest rates for debt instruments

The Company's Level 2 assets/liabilities include certain of the Company's notes payable. Their carrying value approximates their fair values based upon a comparison of the interest rate and terms of such debt given the level of risk to the rates and terms of similar debt currently available to the Company in the marketplace.

The Company's Level 3 assets/liabilities include goodwill, intangible assets, equity investments at cost, and derivative liabilities. Inputs to determine fair value are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques, including option pricing models and discounted cash flow models. Unobservable inputs used in the models are significant to the fair values of the assets and liabilities.

The following tables provide a summary of the relevant assets that are measured at fair value on a recurring basis:

Fair Value Measurements as of December 31, 2022

| Total | Quoted Prices in Active Markets for | Quoted Prices for Similar Assets or Liabilities in | Significant Unobservable Inputs (Level 3) |
|--------------|--|---|--|
|--------------|--|---|--|

| | | Identical Assets or Liabilities (Level 1) | Active Markets (Level 2) | |
|---|----|--|---|---|
| Assets: | | | | |
| Marketable securities - debt securities | \$ | - | \$ | - |
| Total assets | \$ | - | \$ | - |
| Liabilities: | | | | |
| Derivative liabilities | \$ | - | \$ | - |
| Total Liabilities | \$ | - | \$ | - |

**Fair Value Measurements as of
December 31, 2023**

| | Total | Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1) | Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|--------------|--|--|--|
| Assets: | | | | |
| Marketable securities - debt securities | \$ | - | \$ | - |
| Total assets | \$ | - | \$ | - |
| Liabilities: | | | | |
| Derivative liabilities | \$ 3,771,809 | \$ | - | \$ 3,771,809 |
| Total Liabilities | \$ 3,771,809 | \$ | - | \$ 3,771,809 |

The following are the changes in the derivative liabilities during the years ended December 31, 2023 and 2022.

| | Years Ended December 31, 2023 and 2022 | | |
|---|---|----------------|----------------|
| | Level 1 | Level 2 | Level 3 |
| Derivative liabilities as January 1, 2022 | \$ | - | \$ |
| Addition | - | - | 100,532 |
| Changes in fair value | - | - | (3,729) |
| Extinguishment | - | - | (96,803) |
| Derivative liabilities as December 31, 2022 | - | - | - |
| Addition | - | - | 5,121,372 |
| Changes in fair value | - | - | 1,349,563 |
| Extinguishment | - | - | - |
| Derivative liabilities as December 31, 2023 | \$ | - | \$ 3,771,809 |

The following tables provide a summary of the relevant assets that are measured at fair value on a non-recurring basis:

**Fair Value Measurements as of
December 31, 2022**

| | <u>Total</u> | <u>Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)</u> | <u>Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|-----------------------------|-------------------|--|--|--|
| Assets: | | | | |
| Equity investments, at cost | \$ - | \$ - | \$ - | \$ - |
| Intangible assets | 230,084 | - | - | 230,084 |
| Goodwill | 46,460 | - | - | 46,460 |
| Total assets | <u>\$ 276,544</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 276,544</u> |

**Fair Value Measurements as of
December 31, 2023**

| | <u>Total</u> | <u>Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)</u> | <u>Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|-----------------------------|--------------|--|--|--|
| Assets: | | | | |
| Equity investments, at cost | \$ - | \$ - | \$ - | \$ - |
| Intangible assets | - | - | - | - |
| Goodwill | - | - | - | - |
| Total assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

At times, cash balances may exceed the Federal Deposit Insurance Corporation (“FDIC”) or Financial Claims Scheme (“FCS”) insurable limits. The Company has never experienced any losses related to these balances. The uninsured cash balance as of December 31, 2023, was \$271. The Company does not believe it is exposed to significant credit risk on cash and cash equivalents.

Concentration of Credit Risk and Other Risks and Uncertainties

The Company provides credit in the normal course of business. The Company maintains allowances for credit losses on factors surrounding the credit risk of specific customers, historical trends, and other information.

The Company operates in Australia and holds total assets of \$271. It is reasonably possible that operations located outside an entity’s home country will be disrupted in the near term.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method (after taking into account their respective estimated residual values) over the estimated useful lives of the respective assets as follows:

| | Estimated Useful Life (Years) |
|---------------------------------|--|
| Computer equipment and software | 3 |
| Furniture and fixtures | 5 |
| Leasehold Improvements | 3 |

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statements of operations

Long-lived Assets Including Acquired Intangible Assets

We evaluate the recoverability of property and equipment, acquired finite-lived intangible assets and, purchased infinite life digital assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate from the use and eventual disposition. Digital assets accounted for as intangible assets are subject to impairment losses if the fair value of digital assets decreases other than temporarily below the carrying value. The fair value is measured using the quoted price of the crypto asset at the time its fair value is being measured. If such review indicates that the carrying amount of property and equipment and intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value. During the year ended December 31, 2023, the Company recorded an impairment charge of \$13,334 for intangible assets. During the year ended December 31, 2022, the Company recorded an impairment charge of \$137,296 for intangible assets.

Acquired finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. We routinely review the remaining estimated useful lives of property and equipment and finite-lived intangible assets. If we change the estimated useful life assumption for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life. As of December 31, 2023, the Company has no intangible assets on its balance sheet. Amortization expense was \$0 and \$483,484 for the year ended December 31, 2023 and 2022, respectively.

Goodwill

Goodwill is not amortized but is subject to periodic testing for impairment in accordance with ASC Topic 350 “Intangibles – Goodwill and Other – Testing Indefinite-Lived Intangible Assets for Impairment” (“ASC Topic 350”). The Company tests goodwill for impairment on an annual basis as of the last day of the Company’s fiscal December each year or more frequently if events occur or circumstances change indicating that the fair value of the goodwill may be below its carrying amount. The Company uses an income-based approach to determine the fair value of the reporting units. This approach uses a discounted cash flow methodology and the ability of our reporting units to generate cash flows as measures of fair value of our reporting units.

During the year ended December 31, 2023, the reporting unit that still carried goodwill on its balance sheet was acquired. As of December 31, 2023, the Company has no goodwill on its balance sheet, and during the years ended December 31, 2023 and 2022, the Company recorded no impairment charge.

Commitments and Contingencies

The Company follows subtopic 450-20 of the FASB ASC to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Foreign Currency

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at our Consolidated Balance Sheet dates. Results of operations and cash flows are translated using the average exchange rates throughout the periods. The effect of exchange rate fluctuations on the translation of assets and liabilities is included as a component of stockholders' equity in accumulated other comprehensive income. Gains and losses from foreign currency transactions, which are included in operating expenses, have not been significant in any period presented.

Derivative Liability

The Company evaluates its debt and equity issuances to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 815-10-05-4 and Section 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as either an asset or a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the consolidated statement of operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise or cancellation and then the related fair value is reclassified to equity.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the balance sheet date.

The Company adopted Section 815-40-15 of the FASB Accounting Standards Codification ("Section 815-40-15") to determine whether an instrument (or an embedded feature) is indexed to the Company's own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions.

The Company utilizes a Monte Carlo simulation model for the make whole feature (see note 10) and for convertible notes that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected term of each debenture remaining from the valuation date to maturity, an estimated volatility, drift, and a risk-free rate. The Company records the change in the fair value of the derivative as other income or expense in the consolidated statements of operations.

Shipping and Handling Costs

The Company classifies freight billed to customers as sales revenue and the related freight costs as cost of revenue.

Revenue Recognition

Under Topic 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price. The transaction price for any given subscriber could decrease based on any payments made to that subscriber. A subscriber may be eligible for payment through one or more of the monetization features offered to Vocal creators, including earnings through reads (on a cost per mile basis) and cash prizes offered to Challenge winners;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Revenue disaggregated by revenue source for the year ended December 30, 2023 and 2022 consists of the following:

| | Years Ended December 31, | |
|---|-------------------------------------|---------------------|
| | 2023 | 2022 |
| Agency (Managed Services & Branded Content) | \$ 759,348 | \$ 898,093 |
| Platform (Creator Subscriptions) | 1,123,242 | 1,417,094 |
| Ecommerce | 1,441 | 568 |
| Affiliate Sales | 1,554 | 7,572 |
| Other Revenue | 30,869 | - |
| | <u>\$ 1,916,453</u> | <u>\$ 2,323,327</u> |

The Company utilizes the output method to measure the results achieved and value transferred to a customer over time. Timing of revenue recognition for the three and years ended December 31, 2023 and 2022 consists of the following:

| | Years Ended December 31, | |
|---|-------------------------------------|---------------------|
| | 2023 | 2022 |
| Products and services transferred over time | \$ 1,882,589 | \$ 2,315,187 |
| Products transferred at a point in time | 33,864 | 8,140 |
| | <u>\$ 1,916,453</u> | <u>\$ 2,323,327</u> |

Agency Revenue

Managed Services

The Company provides Studio/Agency Service offerings to business-to-business (B2B) and business-to-consumer (B2C) product and service brands which encompasses a full range of digital marketing and e-commerce solutions. The Company's services include the setup and ongoing management of clients' websites, Amazon and Shopify storefronts and listings, social media pages, search engine marketing, and other various tools and sales channels utilized by e-commerce sellers for sales and growth optimization. Contracts are broken into three categories: Partners, Monthly Services, and Projects. Contract amounts for Partner and Monthly Services clients range from approximately \$5,000-\$12,000 per month while Project amounts vary depending on the scope of work. Partner and Monthly clients are billed monthly for the work completed within that month. Revenue is recognized over time as service obligations and milestones in the contract are met.

Branded Content

Branded content represents the revenue recognized from the Company's obligation to create and publish branded articles and/or branded challenges for clients on the Vocal platform and promote said stories, tracking engagement for the client. In the case of branded articles, the performance obligation is satisfied when the Company successfully publishes the articles on its platform and meets any required promotional milestones as per the contract. In the case of branded challenges, the performance obligation is satisfied when the Company successfully closes the challenge and winners have been announced. The Company utilizes the completed contract method when revenue is recognized over time as the services are performed and any required milestones are met. Certain contracts contain separate milestones whereas the Company separates its performance obligations and utilizes the stand-alone selling price method and residual method to determine the estimate of the allocation of the transaction price.

Below are the significant components of a typical agreement pertaining to branded content revenue:

- The Company collects fixed fees ranging from \$5,000 to \$60,000 per month, with branded challenges ranging from \$10,000 to \$25,000 and branded articles ranging from \$2,500 to \$10,000 per article.
- Branded articles are created and published, and challenges are completed, within three months of the signed agreement, or as previously negotiated with the client.
- Branded articles and challenges are promoted per the contract and engagement reports are provided to the client.

Talent Management Services

Talent Management represents the revenue recognized by WHE Agency, Inc. ("WHE") from the Company's obligation to manage and oversee influencer-led campaigns from the contract negotiation stage through content creation and publication. WHE acts in an agent capacity for influencers and collects a management fee of approximately 20% of the value of an influencer's contract with a brand. Revenue is recognized net of the 80% of the contract that is collected by the influencer and is recognized when performance obligations of the contract are met. Performance obligations are complete when milestones and deliverables of contracts are delivered to the client.

Below are the significant components of a typical agreement pertaining to talent management revenue:

- Total gross contracts range from \$500-\$100,000.
- The Company collects fixed fees in the amount of 20 to 25% of the gross contract amount, ranging from \$100 to \$25,000 in net revenue per contract.
- The campaign is created and made live by the influencer within the timeframe specified in the contract.

- Campaigns are promoted per the contract and the customer is provided a link to the live deliverables on the influencer’s social media channels.
- Most billing for contracts occur 100% at execution of the performance obligation. Net payment terms vary by client.

During 2023, WHE Agency ceased operations (see Note 13 – Discontinued Operations).

Platform Revenue

Creator Subscriptions

Vocal+ is a premium subscription offering for Vocal creators. In addition to joining for free, Vocal creators now have the option to sign up for a Vocal+ membership for either \$9.99 monthly or \$99 annually, though these amounts are subject to promotional discounts and free trials. Vocal+ subscribers receive access to value-added features such as increased rate of cost per mille (thousand) (“CPM”) monetization, a decreased minimum withdrawal threshold, a discount on platform processing fees, member badges for their profiles, access to exclusive Vocal+ Challenges, and early access to new Vocal features. Subscription revenues stem from both monthly and annual subscriptions, the latter of which is amortized over a twelve-month period. Any customer payments received are recognized over the subscription period, with any payments received in advance being deferred until they are earned.

The transaction price for any given subscriber could decrease based on any payments made to that subscriber. A subscriber may be eligible for payment through one or more of the monetization features offered to Vocal creators, including earnings through reads (on a cost per mille basis) and cash prizes offered to Challenge winners. Potential revenue offset is calculated by reviewing a subscriber’s earnings in conjunction with payments made by the subscriber on a monthly and/or annual basis.

Affiliate Sales Revenue

Affiliate sales represents the commission the Company receives from views or sales of its multimedia assets. Affiliate revenue is earned on a “click through” basis, upon visitors viewing or purchasing the relevant video, book, or other media asset and completing a specific conversion. The revenue is recognized upon receipt as reliable estimates could not be made.

E-Commerce Revenue

The Company’s e-commerce businesses are housed under Creatd Ventures, and currently consists of four majority-owned e-commerce companies, Camp (previously Plant Camp), Dune Glow Remedy (“Dune”), Basis, and Brave. The Company generates revenue through the sale of Camp, Dune, Basis, and Brave’s consumer products through its e-commerce distribution channels. The Company satisfies its performance obligation upon shipment of product to its customers and recognizes shipping and handling costs as a fulfillment cost. Customers have 30 days from receipt of an item to return unopened, unused, or damaged items for a full refund for Camp, Dune, and Basis, and 7 days from receipt of purchase for Brave. All returns are processed within the relevant recording period and accounted for as a reduction in revenue. The Company runs discounts from time to time to promote sales, improve market penetration, and increase customer retention. Any discounts are run as coupon codes applied at the time of transaction and accounted for as a reduction in gross revenue. The Company assesses variable consideration using the most likely amount method.

During 2023, Camp and Dune ceased operations and Basis and Brave were acquired by a third party (see Note 13 – Discontinued Operations).

Deferred Revenue

Deferred revenue consists of billings and payments from clients in advance of revenue recognition. The Company has two types of deferred revenue, subscription revenue whereas the revenue is recognized over the subscription

period and contract liabilities where the performance obligation was not satisfied. The Company will recognize the deferred revenue within the next twelve months. As of December 31, 2023, and 2022, the Company had deferred revenue of \$266,037 and \$275,017 respectively.

Accounts Receivable and Allowances

Accounts receivable are recorded and carried when the Company has performed the work in accordance with managed services, project, partner, consulting and branded content agreements. For example, we bill a branded content client and record the receivable once milestones are reached that are set in the agreement. We make estimates for the allowance for doubtful accounts and allowance for unbilled receivables based upon our assessment of various factors, including historical experience, the age of the accounts receivable balances, credit quality of our customers, current economic conditions, and other factors that may affect our ability to collect from customers. During the years ended December 31, 2023 and 2022, the Company recorded \$22,780 and \$32,500, respectively as a bad debt expense. As of December 31, 2023, the Company has an allowance for doubtful accounts of \$1,007,720. As of December 31, 2022, the Company had an allowance for doubtful accounts of \$136,830.

Inventory

Inventories are stated at the lower of cost (first-in, first-out basis) or net realizable value. Inventories are periodically evaluated to identify obsolete or otherwise impaired products and are written off when management determines usage is not probable. The Company estimates the balance of excess and obsolete inventory by analyzing inventory by age using last used and original purchase date and existing sales pipeline for which the inventory could be used. As of December 31, 2023, and 2022, the Company had a valuation allowance of \$0 and \$48,580 respectively. During the years ended December 31, 2023 and 2022 the Company recorded \$0 and \$48,580 respectively for product obsolescence.

Stock-Based Compensation

The Company recognizes compensation expense for all equity-based payments granted in accordance with Accounting Standards Codification (“ASC”) 718 “Compensation – Stock Compensation”. Under fair value recognition provisions, the Company recognizes equity-based compensation over the requisite service period of the award. The company has a relatively low forfeiture rate of stock-based compensation and forfeitures are recognized as they occur.

Restricted stock awards are granted at the discretion of the Company. These awards are restricted as to the transfer of ownership and generally vest over the requisite service periods.

The fair value of an option award is estimated on the date of grant using the Black-Scholes option valuation model. The Black-Scholes option valuation model requires the development of assumptions that are inputs into the model. These assumptions are the value of the underlying share, the expected stock volatility, the risk-free interest rate, the expected life of the option, the dividend yield on the underlying stock and forfeitures are recognized as they occur. Expected volatility is derived from the Company’s historical data over the expected option life and other appropriate factors. Risk-free interest rates are calculated based on continuously compounded risk-free rates for the appropriate term. The dividend yield is assumed to be zero as the Company has never paid or declared any cash dividends on its Common stock and does not intend to pay dividends on its Common stock in the foreseeable future. Forfeitures are recognized as they occur.

Determining the appropriate fair value model and calculating the fair value of equity-based payment awards requires the input of the subjective assumptions described above. The assumptions used in calculating the fair value of equity-based payment awards represent management’s best estimates, which involve inherent uncertainties and the application of management’s judgment. As a result, if factors change and the Company uses different assumptions, our equity-based compensation could be materially different in the future. The Company issues awards of equity instruments, such as stock options and restricted stock units, to employees and certain non-employee directors. Compensation expense related to these awards is based on the fair value of the underlying stock on the award date and is amortized over the service period, defined as the vesting period. The vesting period is generally one to three years. A Black-Scholes model is utilized to estimate the fair value of stock options, while the market

price of the Company's common stock at the date of grant is used for restricted stock units. Compensation expense is reduced for actual forfeitures as they occur.

Loss Per Share

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. For the years ended December 31, 2023 and 2022, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

The Company had the following common stock equivalents at December 31, 2023 and 2022:

| | December 31, | |
|--------------------|---------------------|---------------|
| | 2023 | 2022 |
| Series E preferred | 218 | 218 |
| Options | 144,827 | 8,827 |
| Warrants | 711,028 | 32,524 |
| Convertible notes | 452,775 | 55,647 |
| Totals | 1,308,848 | 97,216 |

Reclassifications

Certain prior year amounts in the consolidated financial statements and the notes thereto have been reclassified where necessary to conform to the current year's presentation. These reclassifications did not affect the prior period's total assets, total liabilities, stockholders' deficit, net loss or net cash used in operating activities.

Recently Adopted Accounting Guidance

In May 2021, the FASB issued authoritative guidance intended to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after modification or exchange. (ASU 2021-04), "Derivatives and Hedging Contracts in Entity's Own Equity (Topic 815)". This guidance's amendments provide measurement, recognition, and disclosure guidance for an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after modification or exchange. The updated guidance, which became effective for fiscal years beginning after December 15, 2021, During the year ended December 31, 2023, the Company recognized a deemed dividend of \$30,975,499 from the modification of warrants.

Recent Accounting Guidance Not Yet Adopted

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 affects loans, debt securities, trade receivables, and any other financial assets that have the contractual right to receive cash. The ASU requires an entity to recognize expected credit losses rather than incurred losses for financial assets. On October 16, 2019, FASB approved a final ASU delaying the effective date of ASU 2016-13 for small reporting companies to interim and annual periods beginning after December 15, 2022. The Company is currently evaluating the impact of these amendments to the Company's financial position and results of operations and currently does not know or cannot reasonably quantify the impact of the adoption of the amendments as a result of the complexity and extensive changes from the amendments. The adoption of the guidance will affect disclosures and estimates around accounts receivable.

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This ASU amends the guidance on convertible instruments

and the derivatives scope exception for contracts in an entity’s own equity, and also improves and amends the related EPS guidance for both Subtopics. ASU 2020-06 is effective for the fiscal year beginning after December 15, 2022, including interim periods within that fiscal year. Upon adoption, the Company would no longer recognize the intrinsic value of beneficial conversion features underlying convertible debt. During the year ended December 31, 2023, the company recognized approximately \$2 million relating to a beneficial conversion feature.

In October 2021, the FASB issued ASU No. 2021-08, Business Combinations — Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805), Which aims to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in recognition and payment terms that affect subsequent revenue recognition. ASU 2021-08 is effective for the fiscal year beginning after December 15, 2022, including interim periods within that fiscal year. The Company expects that there would be no material impact on the Company’s consolidated financial statements upon the adoption of this ASU.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying consolidated financial statements.

Note 3 – Going Concern

The Company’s consolidated financial statements have been prepared assuming that it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the consolidated financial statements, as of December 31, 2023, the Company had an accumulated deficit of \$201.6 million, a net loss of \$23.9 million and net cash used in operating activities of \$3.4 million for the reporting period then ended. These factors raise substantial doubt about the Company’s ability to continue as a going concern for a period of one year from the issuance of these financial statements.

The Company is attempting to further implement its business plan and generate sufficient revenues; however, its cash position may not be sufficient to support its daily operations. While the Company believes in the viability of its strategy to further implement its business plan and generate sufficient revenues and in its ability to raise additional funds by way of a public or private offering of its debt or equity securities, there can be no assurance that it will be able to do so on reasonable terms, or at all. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and generate sufficient revenues and its ability to raise additional funds by way of a public or private offering.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Inventory

Inventory was comprised of the following at December 31, 2023 and December 31, 2022:

| | December 31, 2023 | December 31, 2022 |
|----------------|------------------------------|------------------------------|
| Raw Materials | \$ - | \$ - |
| Packaging | - | - |
| Finished goods | \$ - | 30,125 |
| | <u>\$ -</u> | <u>\$ 30,125</u> |

Note 5 – Property and Equipment

Property and equipment stated at cost, less accumulated depreciation, consisted of the following:

| | December 31, 2023 | December 31, 2022 |
|--------------------------------|------------------------------|------------------------------|
| Computer Equipment | \$ 466,397 | \$ 447,860 |
| Furniture and Fixtures | 184,524 | 184,524 |
| Leasehold Improvements | 47,616 | 47,616 |
| | <u>698,537</u> | <u>680,000</u> |
| Less: Accumulated Depreciation | (614,394) | (467,455) |
| | <u>\$ 84,143</u> | <u>\$ 212,545</u> |

Depreciation expense was \$146,938 and \$102,643 for the year ended December 31, 2023 and 2022, respectively.

Note 6 – Notes Payable

Notes payable as of December 31, 2023 and December 31, 2022 is as follows:

| | Outstanding Principal as of | | Interest Rate | Maturity Date |
|---|--|----------------------------------|--------------------------|--------------------------|
| | December 31, 2023 | December 31, 2022 | | |
| The April 2020 PPP Loan Agreement* | 198,577 | 198,577 | 5% | April 2022 |
| First Denver Bodega LLC Loan | - | 38,014 | 5% | March 2025 |
| The Third May 2022 Loan Agreement | - | 9,409 | -0% | November 2022 |
| The Fourth May 2022 Loan Agreement | - | 31,701 | -0% | November 2022 |
| The Second June 2022 Loan agreement | - | 39,500 | -0% | October 2022 |
| The First August 2022 Loan Agreement | - | 130,615 | 14% | July 2023 |
| The Second August 2022 Loan Agreement | - | 387,950 | -0% | January 2023 |
| The First September 2022 Loan Agreement | - | 73,236 | -0% | December 2023 |
| The Second September 2022 Loan Agreement* | 453,625 | 763,625 | -0% | May 2023 |
| The Third September 2022 Loan Agreement* | 2,964 | 256,964 | -0% | October 2023 |
| The November 2022 Loan | - | 68,211 | -0% | June 2023 |
| The April 2023 Loan Agreement* | 41,213 | - | 18% | April 2023 |
| The June 2023 Loan Agreement* | 2,500 | - | -0% | September 2023 |
| The First July 2023 Loan Agreement* | 276,429 | - | 10% | July 2024 |
| The Third July 2023 Loan Agreement | 253,409 | - | 12% | April 2024 |
| The August 2023 Loan Agreement | 38,997 | - | -0% | February 2025 |
| The First September 2023 Loan Agreement | 34,500 | - | 15% | June 2024 |
| The Second September 2023 Loan Agreement | 112,273 | - | 15% | June 2024 |
| | <u>1,414,488</u> | <u>1,997,803</u> | | |
| Less: Debt Discount | (380,252) | (314,108) | | |
| | <u>1,034,236</u> | <u>1,683,694</u> | | |
| Less: Current Debt | (1,004,209) | (1,645,680) | | |
| Total Long-Term Debt | <u>\$ 30,027</u> | <u>\$ 38,014</u> | | |

* Note: was in default as of December 31, 2023

** Note: went into default between the balance sheet date and the date of this filing

The April 2020 PPP Loan Agreement

On April 30, 2020, the Company was granted a loan with a principal amount of \$282,432 (the “Loan”), pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), which was enacted on March 27, 2020. The Loan, which was in the

form of a Note dated April 30, 2020, matures on April 30, 2022, and bears interest at a fixed rate of 1.00% per annum, payable monthly commencing on October 30, 2020. The Note may be prepaid by the Company at any time prior to maturity without payment of any premium. Funds from the Loan may only be used to retain workers and maintain payroll or make mortgage payments, lease payments and utility payments.

During the twelve months ended December 31, 2023, the Company accrued interest of \$9,929.

As of December 31, 2023, the Loan is in default, and the lender may require immediate payment of all amounts owed under the Loan or file suit and obtain judgment.

Denver Bodega LLC Notes Payable

On March 7, 2022, The Company acquired five note payable agreements from the acquisition of Denver Bodega LLC. See Note 11. The total liabilities of these notes amounted to \$293,888. During the year ended December 31, 2022, the Company repaid \$255,874.

On May 30, 2023, the holder of the remaining note agreed to convert the note into Common Stock at a price of \$0.06 per share.

The Third May 2022 Loan Agreement

On May 25, 2022, the Company entered into a loan agreement (the “Third May 2022 Loan Agreement”) with a lender (the “Third May 2022 Lender”), whereby the Third May 2022 Lender issued the Company a promissory note of \$27,604 (the “Third May 2022 Note”). Pursuant to the Third May 2022 Loan Agreement, the Third May 2022 Note has a flat interest fee of \$3,704, for an effective interest rate of 20%. The maturity date of the Third May 2022 Note is November 23, 2022 (the “Third May 2022 Maturity Date”). The Company is required to make monthly payments of \$3,067.

During the twelve months ended December 31, 2023, the Company repaid this note in full.

The Fourth May 2022 Loan Agreement

On May 26, 2022, the Company entered into a loan agreement (the “Fourth May 2022 Loan Agreement”) with a lender (the “Fourth May 2022 Lender”), whereby the Fourth May 2022 Lender issued the Company a promissory note of \$45,200 (the “Fourth May 2022 Note”). Pursuant to the Fourth May 2022 Loan Agreement, the Fourth May 2022 Note has a flat interest fee of \$5,200, for an effective interest rate of 17%. The maturity date of the Fourth May 2022 Note is November 23, 2022 (the “Fourth May 2022 Maturity Date”).

During the twelve months ended December 31, 2023, the Company repaid this note in full.

The Second June 2022 Loan Agreement

On June 17, 2022, the Company entered into a loan agreement (the “Second June 2022 Loan Agreement”) with a lender (the “Second June 2022 Lender”), whereby the Second June 2022 Lender issued the Company a promissory note of \$104,500 (the “Second June 2022 Note”). The Note holder repaid a vendor liability of \$104,500. The maturity date of the Second June 2022 Note is October 15, 2022 (the “Second June 2022 Maturity Date”).

During the twelve months ended December 31, 2023, this note was assigned to Omega Eats, LLC as part of the Assignment and Assumption of Brave and Basis.

The First August 2022 Loan Agreement

On August 18, 2022, the Company entered into a secured loan agreement (the “First August 2022 Loan Agreement”) with a lender (the “First August 2022 Lender”), whereby the First August 2022 Lender issued the Company a secured promissory note of \$193,500 AUD or \$134,070 United States Dollars (the “First August 2022 Note”). Pursuant to the First August 2022 Loan Agreement, the First August 2022 Note has an effective interest rate

of 14%. The maturity date of the First August 2022 Note is June 30, 2023 (the “First August 2022 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First August 2022 Loan Agreement are due. The company has the option to extend the Maturity date by 60 days. The loan is secured by the Australian research & development credit.

During the twelve months ended December 31, 2023, the Company repaid this note in full.

The Second August 2022 Loan Agreement

On August 19, 2022, the Company entered into a loan agreement (the “Second August 2022 Loan Agreement”) with a lender (the “Second August 2022 Lender”), whereby the Second August 2022 Lender issued the Company a promissory note of \$923,000 (the “Second August 2022 Note”). The Company received cash proceeds of \$300,100 and rolled the remaining \$312,400 of principal from the June 2022 Loan Agreement. Pursuant to the Second August 2022 Loan Agreement, the Second August 2022 Note has a flat interest fee of \$310,500, for an effective interest rate of 167%. The maturity date of the Second August 2022 Note is January 9, 2022 (the “Second August 2022 Maturity Date”). The Company is required to make weekly payment of \$46,150. The Second August 2022 Note is secured by officers of the Company.

The Company recorded a \$310,500 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Company settled the remaining balance of this loan.

The First September 2022 Loan Agreement

On September 1, 2022, the Company entered into a loan agreement (the “First September 2022 Loan Agreement”) with a lender (the “First September 2022 Lender”), whereby the First September 2022 Lender issued the Company a promissory note of \$87,884 (the “First September 2022 Note”). Pursuant to the First September 2022 Loan Agreement, the First September 2022 Note has an effective interest rate of 13%. The maturity date of the First September 2022 Note is September 1, 2023 (the “First September 2022 Maturity Date”).

During the twelve months ended December 31, 2023, this note was assigned to Omega Eats, LLC as part of the Assignment and Assumption of Brave and Basis.

The Second September 2022 Loan Agreement

On September 22, 2022, the Company entered into a loan agreement (the “Second September 2022 Loan Agreement”) with a lender (the “Second September 2022 Lender”), whereby the Second September 2022 Lender issued the Company a promissory note of \$876,000 (the “Second September 2022 Note”). The Company received cash proceeds of \$272,614 and rolled the remaining \$303,386 of principal from the First May 2022 Loan Agreement. Pursuant to the Second September 2022 Loan Agreement, the Second September 2022 Note has a flat interest fee of \$321,637, for an effective interest rate of 100%. The maturity date of the Second September 2022 Note is May 5, 2023 (the “Second September 2022 Maturity Date”). The Company is required to make weekly payments of \$27,375. The Second September 2022 Note is secured by officers of the Company. On June 23, 2023, the Company and the Second September 2022 Lender executed an agreement amending the payment terms and extending the Second September 2022 Maturity Date to December 31, 2023.

The Company recorded a \$300,000 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

As of December 31, 2023, the Loan is in default. During the twelve months ended December 31, 2023, the Company repaid \$331,673 in principal.

The Third September 2022 Loan Agreement

On September 22, 2022, the Company entered into a loan agreement (the “Third September 2022 Loan Agreement”) with a lender (the “Third September 2022 Lender”), whereby the Third September 2022 Lender issued the Company a promissory note of \$365,000 (the “Third September 2022 Note”). The Company received cash proceeds of \$110,762 and rolled the remaining \$129,053 of principal from the Second May 2022 Loan Agreement. Pursuant to the Third September 2022 Loan Agreement, the Third September 2022 Note has a flat interest fee of \$139,524, for an effective interest rate of 143%. The maturity date of the Third September 2022 Note is May 5, 2023 (the “Second September 2022 Maturity Date”). The Company is required to make weekly payments of \$13,036. The Third September 2022 Note is secured by officers of the Company. On June 9, 2023, the Company and the Third September 2022 Lender executed an agreement amending the payment terms and extending the Third September 2022 Maturity Date to October 12, 2023.

The Company recorded a \$300,000 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

As of the date of this filing, the Loan is in default. During the twelve months ended September 30, 2023, the Company repaid \$254,500 in principal.

Subsequent to December 31, 2023, the Company settled the balance of this loan.

The November 2022 Loan Agreement

On November 15, 2022, the Company entered into a loan agreement (the “November 2022 Loan Agreement”) with a lender (the “November 2022 Lender”) whereby the November 2022 Lender issued the Company a promissory note of \$80,325 (the “November 2022 Note”). Pursuant to the November 2022 Loan Agreement, the November 2022 Note has a flat interest fee of \$16,975, for an effective interest rate of 21%. The maturity date of the November 2022 Note is June 3, 2023 (the “November 2022 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the November 2022 Note are due.

During the twelve months ended December 31, 2023, the Company repaid this note in full.

The April 2023 Loan Agreement

On April 20, 2023, the Company entered into a loan agreement (the “April 2023 Loan Agreement”) with a lender (the “April 2023 Lender”), whereby the April 2023 Lender issued the Company a promissory note of \$130,000 (the “April 2023 Note”). Pursuant to the April 2023 Loan Agreement, the April 2023 Note has an effective interest rate of 18%. The maturity date of the April 2023 Note is April 26, 2023 (the “April 2023 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the April 2023 Loan Agreement are due. As of September 30, 2023, this note was in default.

As of December 31, 2023, the Loan is in default. During the twelve months ended December 31, 2023, the Company accrued \$7,486 in interest and repaid \$106,500 in principal and interest.

The June 2023 Loan Agreement

On June 29, 2023, the Company entered into a loan agreement (the “June 2023 Loan Agreement”) with a lender (the “June 2023 Lender”), whereby the June 2023 Lender issued the Company a promissory note of \$13,000 (the “June 2023 Note”). The maturity date of the May 2023 Note is September 30, 2023 (the “June 2023 Maturity Date”).

As of December 31, 2023, the Loan is in default. The Company recorded a \$500 debt discount relating to an original issue discount. The debt discount and debt issuance costs are being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Company repaid \$10,500 in principal.

The First July 2023 Loan Agreement

On July 11, 2023, the Company entered into a loan agreement (the “First July 2023 Loan Agreement”) with a lender (the “First July 2023 Lender”), whereby the July 2023 Lender issued the Company a promissory note of \$300,000 (the “First July 2023 Note”). The maturity date of the First July 2023 Note is July 10, 2024 (the “First July 2023 Maturity Date”).

The Company recorded a \$30,000 debt discount relating to an original issue discount. The debt discount and debt issuance costs are being accreted over the life of the note to accretion of debt discount and issuance cost. The Company also recorded a 10% Guaranteed Interest (equal to \$30,000) deemed earned as of the issuance date. The Principal Amount and the Guaranteed Interest shall be due and payable in seven equal monthly payments (each, a “Monthly Payment”) of \$47,142.85, commencing on December 11, 2023 and continuing on the 11th day of each month thereafter (each, a “Monthly Payment Date”) until paid in full not later than July 11, 2024 (the “Maturity Date”).

During the twelve months ended December 31, 2023, the Company repaid \$23,571 towards the balance of the loan. This note was in default as of December 31, 2023.

The Third July 2023 Loan Agreement

On July 31, 2023, the Company entered into a loan agreement (the “Third July 2023 Loan Agreement”) with a lender (the “Third July 2023 Lender”), whereby the Third July 2023 Lender issued the Company a promissory note of \$261,250 (the “Third July 2023 Note”). The maturity date of the Third July 2023 Note is July 10, 2024 (the “Third July 2023 Maturity Date”).

The Company recorded a \$52,250 debt discount relating to an original issue discount and debt issuance costs of \$9,000. The debt discount and debt issuance costs are being accreted over the life of the note to accretion of debt discount and issuance cost. The Company will also accrue interest at the rate of 10% per annum on the outstanding balance of the note. The Principal Amount and the Guaranteed Interest shall be due and payable in six equal monthly payments (each, a “Monthly Payment”) of \$45,416.67, commencing on November 30, 2023 and continuing on the last day of each month thereafter (each, a “Monthly Payment Date”) until paid in full not later than April 30, 2024 (the “Maturity Date”).

During the twelve months ended December 31, 2023, the Company accrued \$10,813 in interest and repaid \$7,840 in principal.

The August 2023 Loan Agreement

On August 23, 2023, the Company entered into a loan agreement (the “August 2023 Loan Agreement”) with a lender (the “August 2023 Lender”), whereby the August 2023 Lender issued the Company a promissory note of \$137,448 (the “August 2023 Note”). Pursuant to the August 2023 Loan Agreement, the August 2023 Note has a flat interest fee of \$12,948. The maturity date of the August 2023 Note is February 20, 2025 (the “August 2023 Maturity Date”). The Company is required to make a minimum payment every 60 days of \$15,272.

During the nine months ended September 30, 2023, the Company repaid \$53,384 in principal.

The First September 2023 Loan Agreement

On September 27, 2023, the Company entered into a loan agreement (the “First September 2023 Loan Agreement”) with a lender (the “First September 2023 Lender”), whereby the First September 2023 Lender issued the Company a promissory note of \$51,750 (the “First September 2023 Note”). The maturity date of the First September 2023 Note is June 30, 2024 (the “First September 2023 Maturity Date”).

The Company recorded a \$6,750 debt discount relating to an original issue discount and debt issuance costs of \$5,000. The debt discount and debt issuance costs are being accreted over the life of the note to accretion of debt discount and issuance cost. The Principal Amount shall be due and payable in full on the Maturity Date.

During the twelve months ended December 31, 2023, the Company repaid \$17,250 in principal and \$2,587 in interest.

The Second September 2023 Loan Agreement

On September 28, 2023, the Company entered into a secured loan agreement (the “First September 2023 Loan Agreement”) with a lender (the “First September 2023 Lender”), whereby the First September 2023 Lender issued the Company a secured promissory note of \$166,905 AUD or \$107,221 United States Dollars (the “First August 2022 Note”). Pursuant to the First September 2023 Loan Agreement, the First August 2022 Note has an effective interest rate of 15%. The maturity date of the First September 2023 Note is June 30, 2024 (the “First September 2023 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First September 2023 Loan Agreement will be due. The company has the option to extend the Maturity date by 60 days at an interest rate of 19%. The loan is secured by the Australian research & development credit.

During the twelve months ended September 30, 2023, the Company accrued \$4,142 in interest.

Note 7 – Convertible Notes Payable

Convertible notes payable as of December 31, 2023 and December 31, 2022 is as follows:

| | Outstanding Principal as of December 31, 2023 | Outstanding Principal as of December 31, 2022 | Interest Rate | Conversion Price | Maturity Date | Warrants granted | |
|--|---|---|------------------|---------------------|------------------|------------------|-----------------------|
| | | | | | | Quantity | Exercise Price |
| The May 2022 Convertible Loan Agreement | - | 50,092 | 11% | -(*) | May-23 | - | - |
| The May 2022 Convertible Note Offering* | 990,000 | 990,000 | 18% | 500(*) | November-22 | 8,000 | \$ 1,500 – \$3,000 |
| The July 2022 Convertible Note Offering* | 1,756,159 | 3,750,000 | 18% | 5.00(*) | March-23 | 4,300 | \$ 5.00 |
| The First October 2022 Convertible Loan Agreement | - | 104,250 | 10% | -(*) | September-23 | | |
| The Second October 2022 Convertible Loan Agreement | - | 300,000 | 10% | -(*) | October-23 | | |
| The Third October 2022 Convertible Loan Agreement | - | 866,650 | 10% | 100.00(*) | April-23 | | |
| The December 2022 Convertible Loan Agreement** | 250,000 | 750,000 | -% | 12.50(*) | February-24 | 562,500 | \$ 100.00 |
| The January 2023 Convertible Loan Agreement** | 847,500 | 847,500 | - % | 12.50(*) | February-24 | - | - |
| The February 2023 Convertible Loan Agreement** | 1,387,500 | 1,387,500 | - % | 12.50(*) | February-24 | - | - |
| The April 2023 Loan Agreement | 65,167 | - | 10% | (*) | May-24 | - | \$ - |

| | | | | | | | |
|------------------------------------|------------------|------------------|-----|---------|-------------|-------|-----------|
| The First May 2023 Loan Agreement | 213,878 | - | 10% | \$ 5.00 | May-24 | 4,400 | \$ 62.50 |
| The Second May 2023 Loan Agreement | 31,146 | - | 10% | (*) | February-24 | - | \$ - |
| The June 2023 Loan Agreement | 50,600 | - | -% | 5.00(*) | December-23 | 173 | \$ 100.00 |
| The July 2023 Loan Agreement | 143,000 | - | 10% | 8.00(*) | October-24 | - | - |
| The October 2023 Loan Agreement | 111,111 | - | -% | 8.00(*) | December-23 | - | \$ - |
| | <u>5,846,061</u> | <u>6,810,992</u> | | | | | |
| Less: Debt Discount | (478,320) | (1,426,728) | | | | | |
| | <u>5,367,741</u> | <u>5,369,599</u> | | | | | |

(*) As subject to adjustment as further outlined in the notes

* Note: was in default as of December 31, 2023

** Note: went into default between the balance sheet date and the date of this filing

The May 2022 Convertible Loan Agreement

On May 20, 2022, the Company entered into a loan agreement (the “May 2022 Loan Agreement”) with a lender (the “May 2022 Lender”), whereby the May 2022 Lender issued the Company a promissory note of \$115,163 (the “May 2022 Note”). Pursuant to the May 2022 Loan Agreement, the May 2022 Note has an interest rate of 11%. The May 2022 Note matures on the first (12th) month anniversary of its issuance date.

Upon default the May 2022 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to 75% of average the lowest three trading prices of the Company’s common stock on the ten-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$15,163 debt discount relating to an original issue discount. The debt discount and debt issuance costs are being accreted over the life of the note to accretion of debt discount and issuance cost.

During the year ended December 31, 2022, the Company repaid \$63,915 in principal and converted \$12,783 in principal into 80 shares of the Company’s common stock.

On January 17, 2023, the May 2022 Lender converted \$51,132 in principal into 228 shares of the Company’s common stock and repaid the remaining note balance.

The May 2022 Convertible Note Offering

During May of 2022, the Company conducted multiple closings of a private placement offering to accredited investors (the “May 2022 Convertible Note Offering”) of units of the Company’s securities by entering into subscription agreements with “accredited investors” (the “May 2022 Investors”) for aggregate gross proceeds of \$4,000,000. The May 2022 convertible notes are convertible into shares of the Company’s common stock, par value \$0.001 per share at a conversion price of \$1,000 per share. As additional consideration for entering in the May 2022 Convertible Note Offering, the Company issued 8,000 warrants of the Company’s common stock. The May 2022 Convertible Note matured on November 30, 2022.

The Company recorded a \$1,895,391 debt discount relating to 8,000 warrants issued to investors based on the relative fair value of each equity instrument on the dates of issuance. The debt discount is being accreted over the life of these notes to accretion of debt discount and issuance cost.

The Company recorded a \$399,964 debt discount relating to an original issue discount and \$125,300 of debt issuance costs related to fees paid to vendors relating to the offering. The debt discount and debt issuance costs are being accreted over the life of the note to accretion of debt discount and issuance cost.

On September 2, 2022, the Company went into default on these notes. As part of the default terms the Company owes 110% of the principal outstanding and the notes accrue interest at a rate of 18%.

On September 15, 2022, the Company and six out of eight lenders May 2022 Investors agreed to forgive default interest and extend the maturity date to March 31, 2023, for a reduced conversion price of \$100 for the convertible notes and warrants. Since the PV cashflows of the new and old debt were more than 10% differences the company used extinguishment accounting. As part of the agreement the Company recognized \$1,083,684 as loss on extinguishment of debt due to the remaining debt discount and recognized \$331,861 as a gain on extinguishment of debt due to the forgiveness of interest. The company also recognized an additional \$75,610 of debt discount from the change in relative fair value on the warrants. The remaining notes are in default as of December 31, 2023.

During the twelve months ended December 31, 2023, the Company accrued \$158,200 in interest.

Subsequent to December 31, 2023, the Company settled this loan balance.

The July 2022 Convertible Note Offering

During July of 2022, the Company conducted multiple closings of a private placement offering to accredited investors (the "July 2022 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "July 2022 Investors") for aggregate gross proceeds of \$2,150,000. The July 2022 convertible notes are convertible into shares of the Company's common stock, par value \$.001 per share at a conversion price of \$1,000 per share. As additional consideration for entering in the July 2022 Convertible Note Offering, the Company issued 4,300 warrants of the Company's common stock. The July 2022 Convertible Note matures on November 30, 2022.

The Company recorded a \$863,792 debt discount relating to 4,300 warrants issued to investors based on the relative fair value of each equity instrument on the dates of issuance. The debt discount is being accreted over the life of these notes to accretion of debt discount and issuance cost.

The Company recorded a \$214,981 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

On September 2, 2022, the Company went into default on these notes. As part of the default terms the Company owes 110% of the principal outstanding and the notes accrue interest at a rate of 18%.

On September 15, 2022, the Company and the July Investors agreed to forgive default interest and extend the maturity date to March 31, 2023, for a reduced conversion price of \$100 for the convertible notes and warrants. Since the present value of the cash flows of the new and old debt were more than 10% different, the company used extinguishment accounting. As part of the agreement the Company recognized \$339,594 as loss on extinguishment of debt due to the remaining debt discount and recognized \$230,162 as a gain on extinguishment of debt due to the forgiveness of interest.

During the twelve months ended December 31, 2023, the Company repaid \$1,785,686 in principal in cash and investors converted \$259,285 in principal into shares of the Company's common stock.

As of December 31, 2023, the notes included in the July 2022 Convertible Note Offering are in default and Default Interest has been accrued at 18% in the amount of \$334,296.

The First October 2022 Loan Agreement

On October 3, 2022, the Company entered into a loan agreement (the "First October 2022 Loan Agreement") with a lender (the "First October 2022 Lender"), whereby the First October 2022 Lender issued the Company a promissory

note of \$104,250 (the “First October 2022 Note”). Pursuant to the First October 2022 Loan Agreement, the First October 2022 Note has an interest rate of 10%. The maturity date of the First October 2022 Note is September 29, 2023 (the “First October 2022 Maturity Date”).

On April 1, 2023, the First October 2022 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to 75% of average the lowest three trading prices of the Company’s common stock on the ten-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$4,250 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Company repaid the First October 2022 Note in full along with \$36,274 of accrued interest.

The Second October 2022 Loan Agreement

On October 20, 2022, the Company entered into a loan agreement (the “Second October 2022 Loan Agreement”) with a lender (the “Second October 2022 Lender”), whereby the Second October 2022 Lender issued the Company a promissory note of \$300,000 (the “Second October 2022 Note”). Pursuant to the Second October 2022 Loan Agreement, the Second October 2022 Note has an interest rate of 10%. The maturity date of the Second October 2022 Note is October 20, 2023 (the “Second October 2022 Maturity Date”).

Upon default, the Second October 2022 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to the lowest VWAP of the Company’s common stock on the twenty-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$45,000 debt discount relating to an original issue discount, \$409,945 relating to the fair value of 1,630 shares of common stock issued to the lender, and \$17,850 of debt issuance costs related to fees paid to vendors relating to the debt agreement. The debt discount and debt issuance cost are being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Company repaid the Second October 2022 Note in full along with \$30,000 of accrued interest.

The Third October 2022 Loan Agreement

On October 24, 2022, the Company entered into a loan agreement (the “Third October 2022 Loan Agreement”) with a lender (the “Third October 2022 Lender”), whereby the Third October 2022 Lender issued the Company a promissory note of \$1,666,650 (the “Third October 2022 Note”). Pursuant to the Third October 2022 Loan Agreement, the maturity date of the Third October 2022 Note is April 24, 2023 (the “Third October 2022 Maturity Date”).

The Third October 2022 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$100.

The Company recorded a \$1,833,300 debt discount relating to a \$166,650 original issue discount and \$1,666,650 from a beneficial conversion feature. The debt discount and debt issuance cost are being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Third October 2022 Lender converted the remaining balance of \$866,650 into 8,667 shares of the Company’s common stock.

The December 2022 Convertible Loan Agreement

On December 12, 2022, the Company entered into a loan agreement (the “December 2022 Loan Agreement”) with a lender (the “December 2022 Lender”), whereby the December 2022 Lender issued the Company a promissory note

of \$750,000 (the “December 2022 Note”). Pursuant to the December 2022 Loan Agreement. The maturity date of the Third October 2022 Note is April 24, 2023 (the “Third October 2022 Maturity Date”).

The Second October 2022 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$100.

The Company recorded a \$241,773 debt discount relating to 1,125 warrants issued to investors based on the relative fair value of each equity instrument on the dates of issuance and \$508,227 relating to the beneficial conversion feature. The debt discount is being accreted over the life of these notes to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the December 2022 Lender converted \$500,000 into 5,000 shares of the Company’s common stock and accrued \$7,397 of interest.

On October 6, 2023, the Company entered into an restructuring agreement with the December 2022 Lender whereby the maturity date was extended to February 28, 2024 And the conversion price was lowered to \$12.50.

As of the date of this filing, this note is in default.

The January 2023 Loan Agreement

On January 13, 2023, the Company entered into a loan agreement (the “January 2023 Loan Agreement”) with a lender (the “January 2023 Lender”), whereby the January 2023 Lender issued the Company a promissory note of \$847,500 (the “January 2023 Note”). The maturity date of the January 2023 Note is June 13, 2023 (the “January 2023 Maturity Date”).

The January 2023 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$100.

The Company recorded a \$847,500 debt discount relating to a \$97,500 original issue discount and \$750,000 from a beneficial conversion feature. The debt discount and debt issuance cost are being accreted over the life of the note to accretion of debt discount and issuance cost.

On October 6, 2023, the Company entered into an restructuring agreement with the December 2022 Lender whereby the maturity date was extended to February 28, 2024 and the conversion price was lowered to \$12.50.

As of the date of this filing, this note is in default.

The February 2023 Loan Agreement

On February 1, 2023, the Company entered into a loan agreement (the “February 2023 Loan Agreement”) with a lender (the “February 2023 Lender”), whereby the February 2023 Lender issued the Company a promissory note of \$1,387,500 (the “February 2023 Note”). The maturity date of the February 2023 Note is June 13, 2023 (the “February 2023 Maturity Date”).

The February 2023 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$100.

The Company recorded a \$1,387,500 debt discount relating to a \$137,500 original issue discount and \$1,250,000 from a beneficial conversion feature. The debt discount and debt issuance cost are being accreted over the life of the note to accretion of debt discount and issuance cost.

On October 6, 2023, the Company entered into a restructuring agreement with the December 2022 Lender whereby the maturity date was extended to February 28, 2024.

As of the date of this filing, this note is in default.

The March 2023 Loan Agreement

On March 31, 2023, the Company entered into a loan agreement (the “March 2023 Loan Agreement”) with a lender (the “March 2023 Lender”), whereby the March 2023 Lender issued the Company a promissory note of \$129,250 (the “March 2023 Note”). Pursuant to the March 2023 Loan Agreement, the March 2023 Note has an interest rate of 10%. The maturity date of the March 2023 Note is March 31, 2024 (the “March 2023 Maturity Date”).

On October 1, 2023, the March 2023 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to 65% of the average of the lowest three trading prices of the Company’s common stock on the ten-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$4,250 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Company repaid the March 2023 Note in full along with \$38,302 of accrued interest.

The April 2023 Loan Agreement

On April 24, 2023, the Company entered into a loan agreement (the “April 2023 Loan Agreement”) with a lender (the “April 2023 Lender”), whereby the April 2023 Lender issued the Company a promissory note of \$109,500 (the “April 2023 Note”). Pursuant to the April 2023 Loan Agreement, the April 2023 Note has an interest rate of 10%. The maturity date of the April 2023 Note is April 24, 2024 (the “April 2023 Maturity Date”).

On October 21, 2023, the April 2023 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to 65% of the lowest trading price of the Company’s common stock on the ten-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$9,500 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. During the twelve months ended December 31, 2023, the Company accrued \$14,124 in interest.

The First May 2023 Loan Agreement

On May 16, 2023, the Company entered into a loan agreement (the “First May 2023 Loan Agreement”) with a lender (the “First May 2023 Lender”), whereby the First May 2023 Lender issued the Company a promissory note of \$275,000 (the “First May 2023 Note”). Pursuant to the First May 2023 Loan Agreement, the First May 2023 Note has an interest rate of 10%. The maturity date of the First May 2023 Note is May 16, 2024 (the “First May 2023 Maturity Date”). As additional consideration for entering in the First May 2022 Loan Agreement, the Company issued 4,400 warrants of the Company’s common stock and 750 restricted shares of the Company’s common stock.

The First May 2023 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) at a price of \$5.00 per share.

The Company recorded a \$60,000 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

The Second May 2023 Loan Agreement

On May 24, 2023, the Company entered into a loan agreement (the “Second May 2023 Loan Agreement”) with a lender (the “Second May 2023 Lender”), whereby the Second May 2023 Lender issued the Company a promissory note of \$86,250 (the “Second May 2023 Note”). Pursuant to the Second May 2023 Loan Agreement, the Second May 2023 Note has an interest rate of 10%. The maturity date of the Second May 2023 Note is February 28, 2024 (the “Second May 2023 Maturity Date”). Beginning June 30, 2023, the Company is required to make 9 monthly payments of \$11,021.

At any time following an event of default, the Second May 2023 Note is convertible into shares of the Company's common stock, par value \$0.001 per share ("Conversion Shares") equal to 61% of the lowest trading price of the Company's common stock in the twenty-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$16,250 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

During the twelve months ended December 31, 2023, the Company repaid \$11,834 in principal.

The June 2023 Loan Agreement

On June 23, 2023, the Company entered into a loan agreement (the "June 2023 Loan Agreement") with Jeremy Frommer, the Company's CEO, whereby Mr. Frommer issued the Company a promissory note of \$86,100 (the "June 2023 Note"). Pursuant to the June 2023 Loan Agreement, the June 2023 Note has an effective interest rate of 18%. The maturity date of the June 2023 Note is December 23, 2023 (the "June 2023 Maturity Date") at which time all outstanding principal, accrued and unpaid interest and other amounts due under the June 2023 Loan Agreement are due. The June 2023 Note is convertible into the Company's common stock at a price of \$5.00 per share.

During the twelve months ended December 31, 2023, the Company repaid \$12,997 in principal and accrued and paid \$9,786 of interest.

The July 2023 Loan Agreement

On July 27, 2023, the Company entered into a loan agreement (the "July 2023 Loan Agreement") with a lender (the "July 2023 Lender"), whereby the July 2023 Lender issued the Company a promissory note of \$143,000 (the "July 2023 Note"). Pursuant to the July 2023 Loan Agreement, the July 2023 Note has an interest rate of 10%. The maturity date of the July 2023 Note is July 27, 2024 (the "July 2023 Maturity Date").

On October 21, 2023, the July 2023 Note is convertible into shares of the Company's common stock, par value \$0.001 per share ("Conversion Shares") equal to 65% of the lowest trading price of the Company's common stock on the ten-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$3,000 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. During the twelve months ended December 31 2023, the Company accrued \$6,151 in interest.

The October 2023 Loan Agreement

On October 31, 2023, the Company entered into a loan agreement (the "October 2023 Loan Agreement") with a lender (the "October 2023 Lender") whereby the October 2023 Lender issued the Company a promissory note of \$111,111 (the "October 2023 Note"). The maturity date of the October 2023 Note is October 31, 2024 (the "October 2023 Maturity Date").

The Company recorded a \$11,111 debt discount relating to an original issue discount. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

Note 8 – Related Party

Officer compensation

During the twelve months ended December 31, 2023 and 2022, the Company paid \$166,018 and \$172,091, respectively for living expenses for officers of the Company.

Note 9 – Derivative Liabilities

The Company has identified derivative instruments arising from convertible notes that have an option to convert at a variable number of shares in the Company's convertible notes payable during the year ended December 31, 2023 and 2022. For the terms of the conversion features see Note 7. The Company had no derivative assets measured at fair value on a recurring basis as of December 31, 2023 or 2022.

The Company utilizes a Monte Carlo simulation model for the make whole feature (see note 10) and for convertible notes that have an option to convert at a variable number of shares to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The inputs utilized in the application of the Monte Carlo model included a starting stock price, an expected term of each debenture remaining from the valuation date to maturity, an estimated volatility, drift, and a risk-free rate. The Company records the change in the fair value of the derivative as other income or expense in the consolidated statements of operations.

Risk-free interest rate: The Company uses the risk-free interest rate of a U.S. Treasury Note adjusted to be on a continuous return basis to align with the Monte Carlo simulation model and binomial model.

Dividend yield: The Company uses a 0% expected dividend yield as the Company has not paid dividends to date and does not anticipate declaring dividends in the near future.

Volatility: The Company calculates the expected volatility based on the company's historical stock prices with a look back period commensurate with the period to maturity.

Expected term: The Company's remaining term is based on the remaining contractual maturity of the convertible notes.

The following are the changes in the derivative liabilities during the years ended December 31, 2023 and 2022.

| | Years Ended December 31, 2023 and 2022 | | |
|---|---|----------------|---------------------|
| | Level 1 | Level 2 | Level 3 |
| Derivative liabilities as January 1, 2022 | \$ - | \$ - | \$ - |
| Addition | - | - | 100,532 |
| Changes in fair value | - | - | (3,729) |
| Extinguishment | - | - | (96,803) |
| Derivative liabilities as December 31, 2022 | - | - | - |
| Addition | - | - | 5,121,372 |
| Changes in fair value | - | - | 1,349,563 |
| Extinguishment | - | - | - |
| Derivative liabilities as December 31, 2023 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,771,809</u> |

Note 10 – Stockholders' Equity

Shares Authorized

The Company is authorized to issue up to one billion, five hundred and twenty million (1,520,000,000) shares of capital stock, of which one billion five hundred million (1,500,000,000) shares are designated as common stock, par value \$0.001 per share, and twenty million (20,000,000) are designated as preferred stock, par value \$0.001 per share.

Preferred Stock

Series E Convertible Preferred Stock

The Company has designated 8,000 shares of Series E Convertible Preferred stock and has 450 shares issued and outstanding as of December 31, 2023.

The shares of Series E Preferred Stock have a stated value of \$1,000 per share and are convertible into Common Stock at the election of the holder of the Series E Preferred Stock, at any time following the Original Issue Date at a price of \$2,060 per share, subject to adjustment. Each holder of Series E Preferred Stock shall be entitled to receive, with respect to each share of Series E Preferred Stock then outstanding and held by such holder, dividends on an as-converted basis in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock.

The holders of Series E Preferred Stock shall be paid pari passu with the holders of Common Stock with respect to payment of dividends and rights upon liquidation and shall have no voting rights. In addition, as further described in the Series E Designation, as long as any of the shares of Series E Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the then outstanding shares of Series E Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Series E Preferred Stock or alter or amend this Series E Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the holders of the Series E Preferred Stock, (c) increase the number of authorized shares of Series E Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing.

Each share of Series E Preferred Stock shall be convertible, at any time and from time to time at the option of the holder of such shares, into that number of shares of Common Stock determined by dividing the Series E Stated Value by the Conversion Price, subject to certain beneficial ownership limitations.

During the year ended December 31, 2023, investors converted 0 shares of the Company's Series E Convertible Preferred Stock into shares of the Company's common stock. During the year ended December 31, 2022, investors converted 50 shares of the Company's Series E Convertible Preferred Stock into 25 shares of the Company's common stock.

Common Stock

On January 25, 2023, the Company entered into a securities purchase agreement with an investor resulting in gross proceeds of \$750,000 to the Company. Pursuant to the terms of the purchase agreement, the Company agreed to sell an aggregate of 3,125 shares of the Company's common stock, par value \$0.001 per share, at a purchase price of \$240 per Share.

On February 8, 2023, in recognition of certain employees having accepted reduced salaries beginning August 22, 2023, the Company issued equity awards totaling 58,342 shares to officers and the employees of the Company. The fair value of these issuances is \$6,797,648.

On February 14, 2023, the Company issued 21 shares of its restricted common stock to consultants in exchange for services at a fair value of \$5,000.

On February 28, 2023, the Company issued 2,500 shares of its restricted common stock to consultants in exchange for nine months of services at a fair value of \$213,750. The shares issued to the consultant were recorded as common stock issued for prepaid services and will be expensed over the life of the consulting contract to share based payments.

On March 13, 2023, the Company sold 3,000 shares of its common stock pursuant to the Investment Agreement entered into on October 20, 2022, between the Company and Coventry for gross proceeds of \$300,000 to the Company.

On March 14, 2023, the Company issued 89 shares of its restricted common stock to consultants in exchange for services at a fair value of \$5,000.

On March 27, 2023, the Company issued 3,786 shares of its restricted common stock to consultants in exchange for services at a fair value of \$246,061.

On April 26, 2023, the Company issued 200 shares of its restricted common stock to consultants in exchange for services at a fair value of \$11,400.

On May 3, 2023, the Company sold 2,820 shares of its common stock pursuant to the Investment Agreement entered into on the October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$100,000 to the Company. Additionally, the Company issued 5,460 shares of its common stock to Coventry Enterprises at a fair value of \$240,198 as a result of triggering the make-whole feature in the Company's outstanding Equity Line of Credit.

On May 16, 2023, the Company issued 750 shares of its restricted common stock at a fair value of \$26,250 to the First May 2023 Lender as additional consideration for entering into the First May 2023 Loan Agreement.

On May 30, 2023, the Company issued 1,139 shares of its restricted common stock at a fair value of \$34,158 in exchange for the conversion of the remaining Denver Bodega LLC Note Payable.

On May 30, 2023, the Company issued 983 shares of its restricted common stock at a fair value of \$297,401 in exchange for the remaining equity interest in Dune Inc.

On May 31, 2023, the Company issued 200 shares of its restricted common stock to consultants in exchange for services at a fair value of \$5,700.

On June 20, 2023, the Company sold 2,766 shares of its common stock pursuant to the Investment Agreement entered into on the October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$69,137 to the Company. Additionally, the Company issued 2,356 shares of its common stock to Coventry Enterprises at a fair value of \$50,649 in consideration for an extension on mandatory monthly payments due under the Second October 2022 Loan Agreement.

On June 20, 2023, the Company issued equity awards totaling 12,471 shares to officers and the employees of the Company at a fair value of \$268,120.

On June 29, 2023, the Company issued 2,300 shares of its common stock to consultants in exchange for services at a fair value of \$296,720.

On June 30, 2023, the Company issued 400 shares of its restricted common stock at a fair value of \$244,428 in exchange for the remaining equity interest in Plant Camp LLC.

On July 10, 2023, the Company issued 18,481 shares of common stock pursuant to the exercise of warrants for gross proceeds of \$231,000.

On July 11, 2023, the Company issued 4,500 shares of its restricted common stock at a fair value of \$164,250 as commitment shares pursuant to a promissory note.

On July 28, 2023, the Company issued 2,188 shares of its restricted common stock at a fair value of \$44,844 in exchange for 18% membership interest in Orbit Media LLC.

On July 31, 2023, the Company issued 4,000 shares of its restricted common stock at a fair value of \$84,000 as commitment shares pursuant to a promissory note.

On August 28, 2023, the Company issued 11,047 shares of its common stock pursuant to a conversion of \$138,086 in convertible promissory notes at a price of \$12.50 per share.

On September 5, 2023, the Company issued 4,204 shares of its restricted common stock to consultants in exchange for services at a fair value of \$71,464.

On September 8, 2023, the Company issued 2,000 shares of its restricted common stock to consultants in exchange for services at a fair value of \$30,000.

On September 14, 2023, the Company issued 5,500 shares of its restricted common stock to consultants in exchange for services at a fair value of \$52,250.

On September 5, 2023, the Company sold 8,256 shares of its common stock pursuant to the Investment Agreement entered into on the October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$97,142 to the Company.

On September 18, 2023, the Company issued 7,718 shares of its common stock pursuant to a conversion of \$96,468 in convertible promissory notes at a price of \$12.50 per share.

On September 26, 2023, the Company issued 1,250 shares of its restricted common stock at a fair value of \$13,125 pursuant to an extension for a monthly payment on a promissory note.

On October 3, 2023, the Company issued 12,000 shares of its common stock pursuant to a conversion of \$150,000 in convertible promissory notes.

On October 6, 2023, the Company issued 10,000 shares of its restricted common stock at a fair value of \$110,000 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On October 11, 2023, the Company issued 3,056 shares of its common stock pursuant to a conversion of \$30,000 in convertible promissory notes.

On October 13, 2023, the Company issued 343 shares of its common stock pursuant to a conversion of \$4,285 in convertible promissory notes.

On October 13, 2023, the Company issued 11,507 shares of common stock at a fair market value of \$212,878 to settle \$345,208 in liabilities related to severance payments.

On October 20, 2023, the Company sold 8,485 shares of its common stock pursuant to the Investment Agreement entered into on the October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$75,000 to the Company.

On October 23, 2023, the Company entered into securities purchase agreements with 8 investors resulting in gross proceeds of \$206,500 to the Company. Pursuant to the terms of the purchase agreement, the Company agreed to sell an aggregate of 24,259 shares of the Company's common stock, par value \$0.001 per share, at a purchase price of \$85 per Share.

On October 23, 2023, the Company issued 3,000 shares of its restricted common stock at a fair value of \$33,000 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On October 27, 2023, the Company issued 4,500 shares of its common stock to two former employees at a fair market value of \$38,250 to settle \$45,000 in outstanding severance.

On November 1, 2023, the Company issued 10,000 shares of its common stock at a fair market value of \$80,000 as commitment shares pursuant to a promissory note.

On November 2, 2023, the Company issued 13,053 shares of its restricted common stock at a fair value of \$110,948 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On November 3, 2023, the Company sold 8,058 shares of its common stock pursuant to the Investment Agreement entered into on the October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$43,839 to the Company.

On November 9, 2023, the Company issued 22,000 shares of its common stock to consultants in exchange for services at a fair value of \$143,000.

On November 20, 2023, the Company sold 7,342 shares of its common stock pursuant to the Investment Agreement entered into on October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$33,833 to the Company.

On November 27, 2023, the Company issued 9,000 shares of its restricted common stock at a fair value of \$63,000 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On November 30, 2023, the Company sold 6,871 shares of its common stock pursuant to the Investment Agreement entered into on October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$30,000 to the Company.

On December 1, 2023, the Company issued 4,688 shares of its common stock pursuant to a conversion of \$15,000 in convertible promissory notes.

On December 5, 2023, the Company issued 5,173 shares of its common stock pursuant to a conversion of \$15,000 in convertible promissory notes.

On December 6, 2023, the Company issued 15,000 shares of its common stock pursuant to a conversion of \$75,000 in convertible promissory notes.

On December 11, 2023, the Company issued 5,749 shares of its common stock pursuant to a conversion of \$14,083 in convertible promissory notes.

On December 12, 2023, the Company sold 10,117 shares of its common stock pursuant to the Investment Agreement entered into on October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$36,333 to the Company.

On December 15, 2023, the Company issued 16,000 shares of common stock pursuant to the exercise of warrants for gross proceeds of \$80,000.

On December 22, 2023, the Company issued 22,000 shares of its restricted common stock at a fair value of \$110,000 as commitment shares pursuant to the extension of the maturity date of a promissory note.

Stock Options

The following is a summary of the Company's stock option activity:

| | Options | Weighted Average Exercise Price | Weighted Average Remaining Contractua l Life (in years) |
|---|----------------|--|--|
| Balance – December 31, 2021 – outstanding | 5,816 | 3,535.00 | 4.71 |
| Granted | 3,880 | 6.90.00 | 5.00 |
| Exercised | - | - | - |
| Forfeited/Cancelled | (869) | 13.56 | - |
| Balance – December 31, 2022 – outstanding | 8,827 | 2,005 | 4.29 |
| Granted | 136,000 | 15.00 | 5.00 |
| Exercised | - | - | - |
| Forfeited/Cancelled | - | - | - |
| Balance – December 31, 2023 – outstanding | 144,827 | 135.00 | 4.61 |
| Balance – December 31, 2023 – exercisable | 7,555 | 2,230.38 | 3.27 |

| Option Outstanding | | | Option Exercisable | | |
|--------------------|--------------------|--|---------------------------------|--------------------|--|
| Exercise price | Number Outstanding | Weighted Average Remaining Contractual Life (in years) | Weighted Average Exercise Price | Number Exercisable | Weighted Average Remaining Contractual Life (in years) |
| \$ 137.45 | 144,827 | 4.61 | 2,230.38 | 7,555 | 3.27 |

Stock-based compensation for stock options has been recorded in the consolidated statements of operations and totaled \$3,757,514, for the year ended December 31, 2022.

Stock-based compensation for stock options has been recorded in the consolidated statements of operations and totaled \$1,427,620, for the year ended December 31, 2023.

As of December 31, 2023, there was \$1,305,948 of total unrecognized compensation expense related to unvested employee options granted under the Company's share-based compensation plans that is expected to be recognized over a weighted average period of approximately 0.4 years.

Warrants

The Company applied fair value accounting for all share-based payments awards. The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes option-pricing model.

Warrant Activities

The following is a summary of the Company's warrant activity:

| | Warrant | Weighted Average Exercise Price |
|---|----------|---------------------------------|
| Balance – December 31, 2021 – outstanding | 11,319 | 2,490.00 |
| Granted | 44,921 | 1,035.00 |
| Exercised | (19,249) | 2,590.00 |
| Forfeited/Cancelled | (4,467) | 2,365 |
| Balance – December 31, 2022 – outstanding | 32,524 | 1,471.05 |
| Granted | 705,696 | 300.15 |
| Exercised | (1,167) | 1,195.20 |
| Forfeited/Cancelled | (26,025) | 5.00 |
| Balance – December 31, 2022 – outstanding | 711,028 | 4.20 |
| Balance – December 31, 2022 – exercisable | 711,029 | 4.20 |

| Warrants Outstanding | | | Warrants Exercisable | | |
|----------------------|--------------------|--|---------------------------------|--------------------|---------------------------------|
| Exercise price | Number Outstanding | Weighted Average Remaining Contractual Life (in years) | Weighted Average Exercise Price | Number Exercisable | Weighted Average Exercise Price |
| \$ 4.20 | 711,028 | 4.20 | 4.20 | 711,028 | 4.20 |

During the year ended December 31, 2022, the company granted warrant holders 10,494 warrants to exercise existing warrants. A deemed dividend of \$4,216,528 was recorded to the Statements of Operations and Comprehensive Loss.

During the year ended December 31, 2022, a total of 13,425 warrants were issued with convertible notes.

During the year ended December 31, 2023, the Company granted warrant holders 44,499 warrants to exercise existing warrants.

A deemed dividend of \$30,975,499 was recorded to the Statements of Operations and Comprehensive Loss in relation to the trigger of down round provision in outstanding warrants.

During the year ended December 31, 2023, a total of 18,935 warrants were issued with convertible notes and promissory notes.

During the year ended December 31, 2023, a total of 59,648 warrants were issued with the sale of common stock.

Note 11 – Commitments and Contingencies

Litigation

Skube v. WHE Agency Inc., et al

A complaint against WHE, Creatd and Jeremy Frommer filed December 22, 2022, was filed in the Supreme Court of the State of New York, New York County, by Jessica Skube, making certain claims alleging conversion, trespass to chattel, unjust enrichment, breach of contract, fraud in the inducement, seeking damages of \$161,000 and punitive damages of \$500,000. Skube filed an Order to Show Cause, which the Company opposed, which was denied. Given the premature nature of this case, it is still too early for the Company to make an assessment as to liability.

Lind Global v. Creatd, Inc.

A complaint against Creatd dated September 21, 2022, has been filed in the Supreme Court of the State of New York, New York County, by Lind Global Macro Fund LP and Lind Global Fund II LP, making certain claims alleging breach of contract related to two Securities Purchase Agreements executed on May 31, 2022, seeking damages in excess of \$920,000. The Company filed a Motion to Dismiss, which was denied. The Company then submitted an Answer. Given the premature nature of this case, it is still too early for the Company to make an assessment as to liability.

Subsequent to December 31, 2023, the Company has settled this matter.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law. The IRA includes a 15% Corporate Alternative Minimum Tax (“Corporate AMT”) for tax years beginning after December 31, 2022. We do not expect the Corporate AMT to have a material impact on our consolidated financial statements. Additionally, the IRA imposes a 1% excise tax on net repurchases of stock by certain publicly traded corporations. The excise tax is imposed on the value of the net stock repurchased or treated as repurchased. The new law will apply to stock repurchases occurring after December 31, 2022.

Lease Agreements

The Company currently does not own any properties. As of December 31, 2023, our corporate headquarters consisted of a total of 8,000 square feet located at 419 Lafayette Street, 6th Floor, New York, NY, 10003. The current lease term was 7 years commencing May 1, 2022. Subsequent to December 31, 2023, the Company reached an agreement with the landlord to terminate this lease agreement and is now a remote-only company. The total amount remaining under this lease is \$2,884,481.

On July 28, 2022, the Company signed a 3-year lease for approximately 1,364 square feet of office space at 1674 Meridian Ave., Miami Beach, FL, 33131. Commencement date of the lease is July 28, 2022. The total amount due under this lease is \$181,299. During the year ended December 31, 2022, it was decided the company would not be using the office space and recorded an impairment of \$101,623 on the right-of-use asset. As of December 31, 2023, the company is in breach of this lease agreement.

On September 9, 2021, the Company signed a 1-year lease for approximately 3,200 square feet at 648 Broadway, Suite 200, New York, NY 10012. Monthly rent under the lease was \$12,955 for the leasing period. As of March 31, 2023, the company is in breach of this lease agreement.

The components of the lease expense were as follows:

| | Year Ended December 31, 2023 |
|-----------------------|---|
| Operating lease cost | \$ 559,289 |
| Short term lease cost | (141,441) |
| Total net lease cost | <u>\$ 417,848</u> |

Supplemental cash flow and other information related to leases was as follows:

| | Year Ended December 31, 2023 |
|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | |
| Operating lease payments | 323,292 |
| Weighted average remaining lease term (in years): | 6.25 |
| Weighted average discount rate: | 12.50% |

Total future minimum payments required under the lease as of December 31, are as follows:

| For the Twelve Months Ended December 31, | Operating Leases |
|---|-----------------------------|
| 2024 | \$ 532,689 |
| 2025 | 517,231 |
| 2026 | 532,424 |
| 2027 | 548,073 |
| 2028 | 564,191 |
| Thereafter | 189,872 |

Nasdaq Notice of Delisting

On September 2, 2022, the Company received a letter from the staff of The Nasdaq Capital Market notifying the Company that the Nasdaq Hearings Panel has determined to delist the Company's common stock from the Exchange, based on the Company's failure to comply with the listing requirements of Nasdaq Rule 5550(b)(1) as a result of the Company's shareholder equity deficit for the period ended June 30, 2022, as demonstrated in Company's Quarterly Report on Form 10-Q filed on August 15, 2022, following the Company having not complied with the market value of listed securities requirement in Nasdaq Rule 5550(b)(2) on March 1, 2022, while the Company was under a Panel Monitor, as had been previously disclosed. Suspension of trading in the Company's shares on the Exchange became effective at the opening of business on September 7, 2022, at which time the

Company's common stock, under the symbol "CRTD," and publicly-traded warrants, under the symbol "CRTDW," was quoted on the OTCPink marketplace operated by OTC Markets Group Inc.

Following passage of the proscribed 15-day time period for appeal as stated in the Letter, on October 26, 2022, Nasdaq completed the delisting by filing a Form 25 Notification of Delisting with the Securities and Exchange Commission.

The Company's common stock, under the symbol "CRTD," is quoted on the OTCQB marketplace operated by OTC Markets Group Inc. effective as of September 26, 2022. Effective April 4, 2023, our symbol changed to "VOCL." The Company's publicly-traded warrants, under the symbol "CRTDW," are quoted on the OTCPink marketplace operated by OTC Markets Group Inc.

Employment Agreements

As of December 31, 2023, the Company does not have employment agreements with its executives or any other employees.

Executive Separation Agreement

On September 2, 2022, the Company entered into an Executive Separation Agreement with Laurie Weisberg the Company's Chief Executive Officer and member of the Board of Directors setting forth the terms and conditions related to the Executive's resignation for good reason as Chief Executive Officer, Director and any other positions held with the Company or any subsidiary.

The Company will pay severance in the aggregate amount of \$475,000, payable as follows: (i) 1/24 will be paid on each of September 15, 2022, October 1, 2022 and November 1, 2022, respectively; (ii) 1/8 will be paid on each of December 1, 2022, January 1, 2023 and February 1, 2023, respectively; (iii) 1/4 will be paid on April 1, 2023; and (iv) the balance will be paid on May 1, 2023. The Company has executed and delivered a Confession of Judgment concerning the severance amount, which is being held in escrow pending satisfaction of payment.

Additionally, all unvested and/or outstanding stock options held by Ms. Weisberg as of the date of the separation agreement that are not subject to metric based vesting shall automatically and fully vest. All unvested and/or outstanding stock options held by Ms. Weisberg as of the date of the separation agreement that are subject to metric based vesting shall vest in accordance with their respective original terms.

Note 12 – Acquisitions

Denver Bodega, LLC D/B/A Basis

On March 7, 2022, the Company entered into a Membership Interest Purchase (the "Agreement") with Henry Springer and Kyle Nowak (collectively the "Sellers"), whereby the Company purchased a majority stake in Denver Bodega, LLC, a Colorado limited liability company whose product is Basis, a direct-to-consumer functional beverage brand that makes high-electrolyte mixes meant to aid hydration. Pursuant to the Agreement, Creatd acquired all of the issued and outstanding membership interests of Denver Bodega, LLC for consideration of one dollar (\$1.00), as well as the Company's payoff, assumption, or satisfaction of certain debts and liabilities.

The following sets forth the components of the purchase price:

| | |
|----------------------|----------|
| Purchase price: | |
| Cash paid to seller | \$ 1 |
| Total purchase price | <u>1</u> |
| Assets acquired: | |
| Cash | 44,977 |
| Accounts Receivable | 2,676 |

| | |
|---------------------------------------|-------------------|
| Inventory | 194,365 |
| Total assets acquired | <u>242,018</u> |
| Liabilities assumed: | |
| Accounts payable and accrued expenses | 127,116 |
| Notes payable | 293,888 |
| Total liabilities assumed | <u>421,004</u> |
| Net liabilities acquired | <u>(178,986)</u> |
| Excess purchase price | <u>\$ 178,987</u> |

The following table provides a summary of the preliminary allocation of the excess purchase price.

| | |
|------------------------------------|-------------------|
| Goodwill | \$ 12,691 |
| Trade Names & Trademarks | 19,970 |
| Know-How and Intellectual Property | 107,633 |
| Customer Relationships | 38,693 |
| Excess purchase price | <u>\$ 178,987</u> |

The goodwill represents the assembled workforce, acquired capabilities, and future economic benefits resulting from the acquisition.

During 2023, Denver Bodega was acquired by Omega Eats, LLC. See Note 13 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these financial statements.

Orbit Media, LLC

On August 1, 2022 the Company entered into a Membership Interest Purchase (the “Agreement”) with Zachary Shenkman, Wuseok Jung, Wesley Petry, Nicholas Scibilia, Gary Rettig, Brandon Fallin (collectively the “Sellers”), whereby the Company purchased a majority stake in Orbit Media LLC, a New York limited liability company whose product is an app-based stock trading platform designed to empower a new generation of investors, providing users with a like-minded community as well as access to tools, content, and other resources to learn, train, and excel in the financial markets. Pursuant to the Agreement, Creatd acquired fifty one percent (51%) of the issued and outstanding membership interests of Orbit Media LLC for consideration of forty-four thousand dollars (\$44,000) in cash and 116 shares of the Company’s Common Stock. This transaction was considered to be an acquisition of in-process research and development with no alternative future use. Orbit Media, LLC is part of the Company’s consolidated subsidiaries as of December 31, 2022.

On December 6, 2023, the Company spun-out Orbit Media, LLC, retaining an 18.4% membership interest and returning the remaining membership interest to the founders. As of December 6, 2023, Orbit is no longer consolidated due to the Company’s ownership of less than 50% voting control and membership interests.

Brave Foods, LLC

On September 13, 2022, the Company acquired 100% of the membership interests of Brave Foods, LLC, a Maine limited liability company for \$150,000. Brave is a plant-based food company that provides convenient and healthy breakfast food products.

The following sets forth the components of the purchase price:

| | |
|----------------------|----------------|
| Purchase price: | |
| Cash paid to seller | \$ 150,000 |
| Total purchase price | <u>150,000</u> |

| | |
|---------------------------------------|------------|
| Assets acquired: | |
| Cash | 73,344 |
| Inventory | 46,375 |
| Total assets acquired | 119,719 |
| Liabilities assumed: | |
| Accounts payable and accrued expenses | 1,316 |
| Notes payable | 75,000 |
| Total liabilities assumed | 76,316 |
| Net assets acquired | 43,403 |
| Excess purchase price | \$ 106,596 |

The excess purchase price amounts are provisional and may be adjusted during the one-year measurement period as required by U.S. GAAP. It is likely that all intangible assets will be reallocated during the measurement period. The following table provides a summary of the allocation of the excess purchase price.

| | |
|------------------------------------|------------|
| Goodwill | \$ 46,460 |
| Trade Names & Trademarks | 16,705 |
| Know-How and Intellectual Property | 16,704 |
| Website | 16,704 |
| Customer Relationships | 10,023 |
| Excess purchase price | \$ 106,596 |

The goodwill represents the assembled workforce, acquired capabilities, and future economic benefits resulting from the acquisition.

During 2023, Brave Foods, LLC was acquired by Omega Eats, LLC. See Note 13 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these financial statements.

Note 13 – Discontinued Operations

During the fiscal year ended 2023, Creatd, Inc. disposed of a series of five subsidiaries: WHE Agency, Plant Camp, Dune, Denver Bodega, and Brave. Denver Bodega and Brave were acquired by another, non-affiliated entity and Plant Camp and Dune ceased operations, all due to a strategic shift in the Company to focus on its flagship product, Vocal. Due to these and other circumstances surrounding the disposal, Management believes the disposal of the five subsidiaries may be classified as discontinued operations on the Company's consolidated financial statements. As of the end of the financial year, the results from these subsidiaries are presented separately on the consolidated income statement as discontinued operation.

An analysis of the financial results of the discontinued operation is as follows:

**Discontinued Operations Consolidated Balance Sheet
(Unaudited)**

| | For the Year Ended December 31, 2023 | For the Year Ended December 31, 2022 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash | 2,150 | 32,450 |
| Accounts receivable, net | - | 86,852 |
| Inventory | - | 374,845 |
| Prepaid expenses and other current assets | - | 40,681 |
| Total Current assets | 2,150 | 534,828 |
| Intangible assets | - | 207,301 |
| Goodwill | - | 46,460 |
| Deposits and other assets | - | 2,600 |
| Total Assets | 2,150 | 791,189 |
| Liabilities and Stockholders' Deficit | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | - | 2,132,322 |
| Note payable, net of debt discount and issuance costs | - | 184,160 |
| Deferred revenue | - | 24,392 |
| Total Current Liabilities | - | 2,340,874 |
| Due to Affiliates | - | 6,038,140 |
| Total Non-Current Liabilities | - | 6,038,140 |
| Total Liabilities | - | 8,379,014 |
| Stockholders' Equity (Deficit) | | |
| Accumulated deficit | 2,150 | (6,133,417) |
| Accumulated other comprehensive income | - | - |
| Total Creatd, Inc. Stockholders' Equity | 2,150 | (6,133,417) |
| Non-controlling interest in consolidated subsidiaries | - | (1,454,408) |
| Total Liabilities and Stockholders' Equity (Deficit) | 2,150 | 791,189 |

As of December 31, 2022, the discontinued subsidiaries held \$791,189 in assets. These assets were primarily accounts receivable attributable to WHE Agency, inventory primarily attributable to Dune, Denver Bodega, and Plant Camp, and the intangible assets of Denver Bodega and Brave. As of December 31, 2023, all assets had been transferred to the parent company, assigned to a third party, or disposed of.

As of December 31, 2022, the discontinued subsidiaries held \$2,340,874 in liabilities. These liabilities were primarily comprised of accounts payable and accrued liabilities for WHE Agency, Plant Camp, and Dune and notes payable for Denver Bodega. As of December 31, 2023, all liabilities had been transferred to the parent company or assumed by a third party.

Discontinued Operations Consolidated Statement of Operations

| | For the Year Ended December 31, 2023 | For the Year Ended December 31, 2022 |
|--|---|---|
| Net revenue | 662,987 | 2,473,147 |
| Cost of revenue | 884,565 | 3,476,118 |
| Gross margin (loss) | (221,578) | (1,002,971) |
| Operating expenses | | |
| Compensation | 265,969 | 1,605,594 |
| Marketing | 291,173 | 1,675,083 |
| Impairment of goodwill | 46,460 | - |
| Impairment of intangible assets | 109,622 | 3,339,530 |
| General and administrative | 175,821 | 1,283,896 |
| Total operating expenses | 889,046 | 7,904,103 |
| Loss from operations | (1,110,624) | (8,907,074) |
| Other income (expenses) | | |
| Other income | - | 99 |
| Interest expense | (7,830) | (3,981) |
| Accretion of debt discount and issuance cost | - | (7,087) |
| Settlement of vendor liabilities | 183,909 | - |
| Other income (expenses), net | 176,078 | (10,970) |
| Loss before income tax provision | (934,546) | (8,918,044) |
| Income tax provision | - | - |
| Net Loss | (934,546) | (8,918,044) |
| Non-controlling interest in net loss | - | 3,335,603 |
| Net Loss attributable to Creatd, Inc. | (934,546) | (5,582,441) |

Revenue for the discontinued entities was \$662,987 for the year ended December 31, 2023, as compared to \$2,473,147 for the year ended December 31, 2022. Cost of revenue for the discontinued entity for the year ended December 31, 2023, was \$884,565 as compared to \$3,476,118 for the year ended December 31, 2022. Operating expenses for the discontinued entities for the year ended December 31, 2023, were \$889,046 as compared to \$7,904,103 for the year ended December 31, 2022. Loss from operations for the discontinued entities for the year ended December 31, 2023, was \$1,110,624 as compared to \$8,907,074 for the year ended December 31, 2022.

Note 14 – Segment Information

We operate in four reportable segments: Creatd Labs, Creatd Ventures, Created Studios, and Creatd Partners. Our segments were determined based on the economic characteristics of our products and services, our internal organizational structure, the manner in which our operations are managed and the criteria used by our Chief Operating Decision Maker (CODM) to evaluate performance, which is generally the segment’s operating losses. The below segment information for 2022 includes the discontinued entities outlined in Note 13 - Discontinued Operations. Please see Note 13 for further information on these subsidiaries and their results of operations.

| Operations of: | Products and services provided: |
|-----------------------|--|
| Creatd Labs | Creatd Labs is the segment focused on development initiatives. Creatd Labs houses the Company’s proprietary technology, including its flagship platform, Vocal, as well as oversees the Company’s content creation framework, and management of its digital communities. Creatd Labs derives revenues from Vocal creator subscriptions, platform processing fees and technology licensing fees. |
| Creatd Ventures | Creatd Ventures builds, develops, and scales e-commerce brands. This segment generates revenues through product sales of its two majority-owned direct-to-consumer brands, Camp and Dune Glow Remedy. |
| Creatd Partners | Creatd Partners fosters relationships between brands and creators through its suite of agency services, including content marketing (Vocal for Brands), performance marketing (Seller’s Choice), and influencer marketing (WHE Agency). Creatd Partners derives revenues in the form of brand fees and talent management commissions. |
| Creatd Studios | Creatd Studios harnesses Creatd, Inc.’s technology and data analytics to innovate and create new digital platforms. By leveraging existing technology and first-party data, we tailor our digital content offerings to meet evolving market demands, ensuring a competitive edge. This strategic integration of technology and data underscores our commitment to driving growth and sustaining our market position. |

The following tables present certain financial information related to our reportable segments and Corporate:

As of December 31, 2023

| | <u>Creatd Labs</u> | <u>Creatd Ventures</u> | <u>Creatd Studios</u> | <u>Creatd Partners</u> | <u>Corporate</u> | <u>Total</u> |
|---|---------------------|------------------------|-----------------------|------------------------|----------------------|----------------------|
| Accounts receivable, Net | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Prepaid expenses and other current assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deposits and other assets | \$ - | \$ - | \$ - | \$ - | \$ 83,617 | \$ 83,617 |
| Intangible assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Goodwill | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Inventory | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| All other assets | \$ 65,849 | \$ - | \$ 444 | \$ - | \$ 2,014,216 | \$ 2,080,509 |
| Total Assets | \$ 65,849 | \$ - | \$ 444 | \$ - | \$ 2,097,833 | \$ 2,164,126 |
| Accounts payable and accrued liabilities | \$ 1,704,239 | \$ - | \$ 10,250 | \$ - | \$ 8,911,916 | \$ 10,626,405 |
| Note payable, net of debt discount and issuance costs | \$ 142,299 | \$ - | \$ - | \$ - | \$ 823,117 | \$ 965,416 |
| Deferred revenue | \$ 266,037 | \$ - | \$ - | \$ - | \$ - | \$ 266,037 |
| All other Liabilities | \$ - | \$ - | \$ - | \$ - | \$ 11,194,776 | \$ 11,194,776 |
| Total Liabilities | \$ 2,112,575 | \$ - | \$ 10,250 | \$ - | \$ 21,050,253 | \$ 23,052,634 |

As of December 31, 2022

| | <u>Creatd Labs</u> | <u>Creatd Ventures</u> | <u>Creatd Studios</u> | <u>Creatd Partners</u> | <u>Corporate</u> | <u>Total</u> |
|---|------------------------|----------------------------|---------------------------|----------------------------|----------------------|----------------------|
| Accounts receivable, net | \$ - | \$ 11,217 | \$ - | \$ 228,206 | \$ - | \$ 239,423 |
| Prepaid expenses and other current assets | \$ 23,712 | \$ 40,681 | \$ - | \$ - | \$ 64,154 | \$ 128,547 |
| Deposits and other assets | \$ 629,955 | \$ 2,600 | \$ - | \$ - | \$ 164,676 | \$ 797,231 |
| Intangible assets | \$ - | \$ 207,301 | \$ - | \$ - | \$ 22,783 | \$ 230,084 |
| Goodwill | \$ - | \$ 46,460 | \$ - | \$ - | \$ - | \$ 46,460 |
| Inventory | \$ 30,125 | \$ 374,845 | \$ - | \$ - | \$ - | \$ 404,970 |
| All other assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,973,034</u> | <u>\$ 2,973,034</u> |
| Total Assets | <u>\$ 683,792</u> | <u>\$ 683,104</u> | <u>\$ -</u> | <u>\$ 228,206</u> | <u>\$ 3,224,647</u> | <u>\$ 4,819,749</u> |
| Accounts payable and accrued liabilities | \$ 8,495 | \$ 1,635,298 | \$ - | \$ 509,931 | \$ 5,411,996 | \$ 7,565,720 |
| Note payable, net of debt discount and issuance costs | \$ 130,615 | \$ 184,160 | \$ - | \$ - | \$ 1,368,919 | \$ 1,683,694 |
| Deferred revenue | \$ 275,017 | \$ - | \$ - | \$ 24,392 | \$ - | \$ 299,409 |
| All other Liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,774,125</u> | <u>\$ 7,774,125</u> |
| Total Liabilities | <u>\$ 414,127</u> | <u>\$ 1,819,458</u> | <u>\$ -</u> | <u>\$ 534,323</u> | <u>\$ 14,555,040</u> | <u>\$ 17,322,948</u> |

For the year ended December 31, 2023

| | <u>Creatd Labs</u> | <u>Creatd Ventures</u> | <u>Creatd Studios</u> | <u>Creatd Partners</u> | <u>Corporate</u> | <u>Total</u> |
|--|------------------------|----------------------------|---------------------------|----------------------------|------------------------|------------------------|
| Net revenue | \$ 1,885,584 | \$ - | \$ 30,869 | \$ - | \$ - | \$ 1,916,453 |
| Cost of revenue | <u>\$ 1,076,651</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,076,651</u> |
| Gross margin | \$ 808,933 | \$ - | \$ 30,869 | \$ - | \$ - | \$ 839,802 |
| Compensation | \$ 286,320 | \$ - | \$ 167,808 | \$ - | \$ 2,650,156 | \$ 3,104,284 |
| Research and development | \$ 874,442 | \$ - | \$ - | \$ - | \$ (512,429) | \$ 362,013 |
| Marketing | \$ 820,777 | \$ - | \$ - | \$ - | \$ 17,826 | \$ 838,603 |
| Stock based compensation | \$ - | \$ - | \$ - | \$ - | \$ 9,412,288 | \$ 9,412,288 |
| General and administrative | \$ 311,224 | \$ - | \$ 116,170 | \$ - | \$ 3,103,123 | \$ 3,530,516 |
| Depreciation and amortization | \$ - | \$ - | \$ - | \$ - | \$ 125,255 | \$ 125,255 |
| Impairment of goodwill | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Impairment of intangibles | \$ - | \$ - | \$ - | \$ - | \$ 13,334 | \$ 13,334 |
| Total operating expenses | <u>\$ 2,292,764</u> | <u>\$ -</u> | <u>\$ 283,978</u> | <u>\$ -</u> | <u>\$ 14,809,552</u> | <u>\$ 17,386,294</u> |
| Interest expense | \$ 27,233 | \$ - | \$ - | \$ - | \$ 1,046,590 | \$ 1,073,822 |
| All other expenses | \$ - | \$ - | \$ - | \$ - | \$ 5,678,821 | \$ 5,678,821 |
| Other expenses, net | <u>\$ 27,233</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,725,410</u> | <u>\$ 6,752,643</u> |
| Loss before income tax provision and equity in net loss from unconsolidated investments | <u>\$(1,511,063)</u> | <u>\$ -</u> | <u>\$ (253,109)</u> | <u>\$ -</u> | <u>\$ (21,534,963)</u> | <u>\$ (23,299,136)</u> |

For the year ended December 31, 2022

| | <u>Creatd Labs</u> | <u>Creatd Ventures</u> | <u>Creatd Studios</u> | <u>Creatd Partners</u> | <u>Corporate</u> | <u>Total</u> |
|--|------------------------|----------------------------|---------------------------|----------------------------|------------------------|------------------------|
| Net revenue | \$ 1,616,278 | \$ 1,456,593 | \$ - | \$ 1,723,603 | \$ - | \$ 4,796,474 |
| Cost of revenue | \$ 2,000,970 | \$ 2,807,285 | \$ - | \$ 1,300,951 | \$ - | \$ 6,109,206 |
| Gross margin | \$ (384,692) | \$(1,350,692) | \$ - | \$ 422,652 | \$ - | \$ (1,312,732) |
| Compensation | \$ 1,794,003 | \$ 826,185 | \$ - | \$ 931,158 | \$ 1,127,044 | \$ 4,678,390 |
| Research and development | \$ 606,211 | \$ - | \$ - | \$ 345,203 | \$ - | \$ 951,414 |
| Marketing | \$ 2,722,579 | \$ 1,675,083 | \$ - | \$ 302,509 | \$ - | \$ 4,700,171 |
| Stock based compensation | \$ 864,507 | \$ 781,928 | \$ - | \$ 887,627 | \$ 1,649,782 | \$ 4,183,844 |
| General and administrative | \$ 33,399 | \$ 592,210 | \$ - | \$ 509,757 | \$ 8,000,230 | \$ 9,135,596 |
| Depreciation and amortization | \$ - | \$ 143,360 | \$ - | \$ 132,683 | \$ 316,096 | \$ 592,139 |
| Impairment of goodwill | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Impairment of intangibles | \$ 213,141 | \$ 365,732 | \$ - | \$ - | \$ 2,897,953 | \$ 3,476,826 |
| Total operating expenses | \$ 6,233,840 | \$ 4,384,498 | \$ - | \$ 3,108,937 | \$ 13,991,105 | \$ 27,718,380 |
| Interest expense | \$ (33,938) | \$ 298 | \$ - | \$ - | \$ (787,411) | \$ (821,051) |
| All other expenses | \$ - | \$ - | \$ - | \$ - | \$ (5,824,152) | \$ (5,824,152) |
| Other expenses, net | \$ (33,938) | \$ 298 | \$ - | \$ - | \$ (6,611,563) | \$ (6,645,203) |
| Loss before income tax provision and equity in net loss from unconsolidated investments | \$ (6,652,470) | \$ (5,734,892) | \$ - | \$ (2,686,285) | \$ (20,602,668) | \$ (35,676,315) |

Note 15 –Income Taxes

Components of deferred tax assets are as follows:

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---|----------------------------------|------------------------------|
| Net deferred tax assets – Non-current: | | |
| Depreciation | \$ (117,550) | \$ (24,850) |
| Amortization | - | (876,459) |
| Stock based compensation | 7,529,830 | 5,545,450 |
| Expected income tax benefit from NOL carry-forwards | 26,289,987 | 20,744,537 |
| Less valuation allowance | <u>(33,702,267)</u> | <u>(25,388,679)</u> |
| Deferred tax assets, net of valuation allowance | \$ - | \$ - |

Income Tax Provision in the Consolidated Statements of Operations

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income taxes is as follows:

| | <u>For the Year Ended December 31, 2023</u> | <u>For the Year Ended December 31, 2022</u> |
|-----------------------------------|---|---|
| Federal statutory income tax rate | 21.0% | 21.0% |

| | | |
|--|---------|---------|
| State tax rate, net of federal benefit | 7.1% | 7.1% |
| Change in valuation allowance on net operating loss carry-forwards | (28.1)% | (28.1)% |
| Effective income tax rate | 0.0% | 0.0% |

Based on the available objective evidence, management believes it is more likely than not that the net deferred tax assets of the Company will not be fully realizable for the years ended December 31, 2023 and 2022. Accordingly, management had applied a full valuation allowance against net deferred tax assets as of December 31, 2023 and 2022.

As of December 31, 2023, the Company had approximately \$[] million of federal net operating loss carryforwards available to reduce future taxable income which will begin to expire in 2035 for both federal and state purposes.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Act”) was signed into law making significant changes to the Internal Revenue Code of 1986, as amended (the “Code”). The Act reduces the federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017. ASC 470 requires the Company to remeasure the existing net deferred tax asset in the period of enactment. The Act also provides for immediate expensing of 100% or the costs of qualified property that is incurred and placed in service during the period from September 27, 2017, to December 31, 2022. Beginning January 1, 2023, the immediate expensing provision is phased down by 20% per year until it is completely phased out as of January 1, 2027. Additionally, effective January 1, 2018, the Act imposes possible limitations on the deductibility of interest expense. As a result of the provisions of the Act, the Company’s deduction for interest expense could be limited in future years. The effects of other provisions of the Act are not expected to have a material impact on the Company’s financial statements.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 (“SAB 118”) to provide guidance on accounting for the tax effects of the Act. SAB 118 provides a measurement period that begins in the reporting period that includes the Act’s enactment date and ends when an entity has obtained, prepared and analyzed the information that was needed in order to complete the accounting requirements under ASC 720. However, in no circumstance should the measurement period extend beyond one year from the enactment date. In accordance with SAB 118, a company must reflect in its financial statements the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. SAB 118 provides that to the extent that a company’s accounting for certain income tax effects of the Tax Act is incomplete, but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements.

The Company does not reflect a deferred tax asset in its financial statements but includes that calculation and valuation in its footnotes. We are still analyzing the impact of certain provisions of the Act and refining our calculations. The Company will disclose any change in the estimates as it refines the accounting for the impact of the Act.

Federal and state tax laws impose limitations on the utilization of net operating losses and credit carryforwards in the event of an ownership change for tax purposes, as defined in Section 382 of the Internal Revenue Code. Accordingly, the Company’s ability to utilize these carryforwards may be limited as a result of an ownership change which may have already happened or may happen in the future. Such an ownership change could result in a limitation in the use of the net operating losses in future years and possibly a reduction of the net operating losses available.

Note 16 – Subsequent Events

Reverse Stock Split

On January 22, 2024, we filed a certificate of amendment to our amended and restated articles of incorporation with the Secretary of State of the State of Nevada to effectuate a one-for-five hundred (1:500) reverse stock split of our common stock without any change to its par value (the “January 2024 Reverse Stock Split”). The Amendment became effective on January 24, 2024. No fractional shares were issued in connection with the reverse stock split as

all fractional shares were rounded up to the next whole share. All share and per share amounts of our common stock listed in this Form 10-K have been adjusted to give effect to the January 2024 Reverse Stock Split.

Equity Line of Credit

Subsequent to December 31, 2023, the Company drew down twice from its outstanding Equity Line of Credit for total combined proceeds of \$111,600.

Promissory Notes

Subsequent to December 31, 2023, the Company entered into 18 promissory notes with 8 investors for net proceeds of \$704,100. The company issued 271,843 warrants with these notes.

Note Conversions

Subsequent to December 31, 2023, 4 conversions totaling \$226,620 in balances from 3 notes converted into 42,711 shares of the Company's common stock.

Note Extensions

Subsequent to December 31, 2023, 5 lenders extended 7 notes and received 6,500 shares and 397,464 warrants as consideration for the extensions. Additionally, 1 lender executed stand-down letters for the conversion of 2 notes in exchange for a total of \$83,994 in fees.

Consultant Shares

Subsequent to December 31, 2023, the Company issued 80,000 shares to consultants.

PIPE

Subsequent to December 31, 2023, the Company issued 7,143 shares of its common stock and 7,143 warrants to purchase its common stock at a price of \$7.00 in exchange for \$25,000, as well as 10,000 shares of its common stock and 10,000 warrants to purchase its common stock at a price of \$5.00 in exchange for \$25,000.

Conversion of Warrants and Notes into Series F Preferred

14 note and warrant holders converted \$3,934,287 worth of notes and 1,501,354 warrants into 7,713 shares of Series F Preferred. Each share of Series F Preferred converts into 200 shares of the Company's common stock.

Conversion of Series F Preferred into Common Stock

Subsequent to December 31, 2023, 10 holders converted shares of Series F Preferred stock into 336,400 shares of common stock.

Options Issuances

Subsequent to December 31, 2023, the Company issued 1,928,751 options to purchase its common stock to officers, employees, and directors. The options have a 10-year term and an exercise price of \$1.78, and vest upon the approval by shareholders of the Creatd 2024 Omnibus Securities and Incentive Plan at its next annual shareholder meeting.

Settlement of Lind Global v Creatd, Inc.

Subsequent to December 31, 2023, the Company reached a settlement agreement and general release regarding Lind Global vs Creatd, Inc. In exchange for a grant of security interest on the outstanding debentures, an increase of principal value and interest rate, a reduction of conversion price, and the exchange of outstanding warrants for 150 shares of the Company's Preferred Series F stock, Lind Global agreed to extend the Maturity Date to 18 months from the date of the agreement and submit a stipulation of discontinuance with the court.

Conversion of Payables

Subsequent to December 31, 2023, 11 current and former employees, officers, directors, and consultants of the Company converted \$966,804 in net payables for services rendered into 1,193,233 shares of the Company's common stock. In consideration for this conversion, those who were converted were also awarded 756,994 warrants to purchase the Company's common stock at a price of \$2.52 per share, 219,535 warrants to purchase the Company's common stock at a price of \$2.04 per share, and 216,704 warrants to purchase the Company's common stock at a price of \$1.56 per share.