

CREATD INC.

Amendment to Annual Report - Amended for 12/31/2024 originally published through the OTC Disclosure & News Service on [06/24/2025](#)

Explanatory Note:

Updated to OTCQB Annual Report Disclosure Guidelines

***This coversheet was automatically generated by OTC Markets Group based on the information provided by the Company. OTC Markets Group has not reviewed the contents of this amendment and disclaims all responsibility for the information contained herein.*

Alternative Reporting Standard: **OTCQX® U.S. and OTCQB® Disclosure Guidelines**

Federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws, require issuers to provide adequate current public information. With a view to encouraging compliance with these laws, OTC Markets Group has created these OTCQX U.S. and OTCQB® Disclosure Guidelines ("Guidelines"). These Guidelines set forth the disclosure obligations that make up the "Alternative Reporting Standard" for OTCQX U.S. and OTCQB traded companies.¹ These Guidelines have been designed to encompass the "Catch All" information required in Rule 15c2-11,² however they have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator.

These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice.

General Considerations

An issuer preparing a disclosure document under the Alternative Reporting Standard should consider the purpose of adequate disclosure. Current and potential investors in the issuer's securities should be provided with all "material" information —the information available to the issuer necessary for the investor to make a sound investment decision. The disclosure should enable an investor of ordinary intelligence and investment skills to understand the issuer's business and prospects.

The disclosure must therefore present the issuer's business plan and include a full and clear picture of the issuer's assets, facilities, properties, investments, management and other resources, as well as a complete description of how they will be used to make profits. The issuer's business plan should clearly describe the competition, regulatory environment and other risks to the issuer's business, as well as the issuer's plans for confronting these challenges.

It is also important for an investor to understand how the issuer raises capital and treats investors. At a minimum, the issuer must describe the ways it has raised capital by issuing shares in the past – to whom and the amount of consideration involved. The investor should also be provided with market information, including the past price history of any transactions in the issuer's shares.

Finally, the disclosure should use plain English.³ This means using short sentences, avoiding legal and technical jargon and providing clear descriptions.

¹ This is not legal advice, and OTC Markets Group cannot assure anyone that compliance with our disclosure requirements will satisfy any legal requirements.

² Publication of information pursuant to these Guidelines also does not guarantee or ensure that the Company will be designated as having "current information" or eligible for public quotations pursuant to Rule 15c2-11 or any other applicable regulation.

³ For tips, you may wish to consult the SEC's Plain English Handbook, available for free on the SEC's website, at <http://www.sec.gov>.

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Section One: Issuers' Initial Disclosure Obligations

Instructions relating to the preparation of initial disclosure:

1. Prepare a cover page using the format set forth on the following page.
2. Prepare a disclosure document that responds to each item and sub-item of the Guidelines with information current as of the issuer's most recent fiscal quarter or year end. If a particular item is not applicable or unavailable, include the reason it is not applicable or unavailable.
3. Save the disclosure document(s) in PDF format and upload it via www.OTCIQ.com using the report name "Annual Report" or "Quarterly Report", as applicable. If the disclosure information and financial statements are posted separately, please denote the report content using the subtitle field when uploading.

Instructions relating to the preparation of initial disclosure for certain non-U.S. companies:

Companies listed on a Qualified Foreign Exchange that are exempt from SEC registration under a rule other than Exchange Act Rule 12g3-2(b), may follow the Alternative Reporting Standard and provide the following information.

1. Publish the company's English-language Annual and Interim Reports for the most recently completed fiscal year and any subsequent periods. Upload these documents via www.OTCIQ.com using the report names "Annual Report," "Interim Report", or "Quarterly Report" as applicable.
2. Publish a Supplemental Report via www.OTCIQ.com that contains all of the information required under the "Catch All provision" of SEC Rule 15c2-11. See www.otcmarkets.com/files/Catchall.pdf.

Creatd, Inc.

Nevada

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STE 20721, Dover,
Delaware, 19904.

646-859-5747
<https://creatd.com>
ir@creatd.com

SIC Code:

Annual/Quarterly Report

For the period ending December 31, 2024
(the "Reporting Period")

The number of shares outstanding of our Common Stock is 4,613,794 as of December 31, 2024.

The number of shares outstanding of our Common Stock was 507,210 as of December 31, 2023.

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

Yes: ☐ No: ☒ (Double-click and select "Default Value" to check)

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control⁴ of the company has occurred over this reporting period:

⁴ "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

Yes: ☐ No: x

Part A General Company Information

Item 1 The exact name of the issuer and its predecessor (if any).

Creatd, Inc.

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, and Jerrick Ventures, Inc., a privately-held Nevada corporation headquartered in New Jersey ("Jerrick"), entered into an Agreement and Plan of Merger pursuant to which GPH 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.

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 9, 2020, the Company filed a certificate of amendment with the Secretary of State of the State of Nevada to change its name from Jerrick Media Holdings, Inc. to Creatd, Inc., which became effective on September 10, 2020.

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Item 2 The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business:

In answering this item, please also provide (i) the telephone of the issuer's principal executive offices, (ii) if applicable, the URL of each website maintained by or on behalf of the issuer, and (iii) if applicable, the name, phone number, email address, and mailing address of the person responsible for the issuer's investor relations.

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.

Primary Telephone: (646) 859-5747
ir@creatd.com

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

Item 3 The jurisdiction(s) and date of the issuer's incorporation or organization.

In answering this item, please provide the state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years. Please also include the issuer's current standing in its state of incorporation (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.

Part B Share Structure

Item 4 The exact title and class of securities outstanding.

In answering this item, provide the exact title and class of each class of outstanding securities. In addition, please provide the CUSIP and trading symbol.

Trading symbol: CRTD
Exact title and class of securities outstanding: Common
CUSIP: 225265305

Trading symbol: CRTDW
Exact title and class of securities outstanding: Warrant
CUSIP: 225265115

Exact title and class of the security: Preferred Series E

Exact title and class of the security: Preferred Series F

Exact title and class of the security: Preferred Series G

Exact title and class of the security: Preferred Series H

Item 5 Par or stated value and description of the security.

A. *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

Exact title and class of securities outstanding: Creatd Common
Par or stated value: \$0.001

Exact title and class of securities outstanding: Creatd Warrant (CRTDW)
Par or stated value: \$0.001

Exact title and class of the security: Preferred Series E
Par or stated value: Par: \$0.001 Stated: \$1,000

Exact title and class of the security: Preferred Series F
Par or stated value: Par: \$0.001 Stated: \$1,000

Exact title and class of the security: Preferred Series G
Par or stated value: Par: \$0.001 Stated: \$750

Exact title and class of the security: Preferred Series H
Par or stated value: Par: \$0.001 Stated: \$100

B. *Common or Preferred Stock.*

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.

Series E Preferred Stock

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.

Series F Preferred Stock

The shares of Series F 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 F Preferred Stock, at any time following the Original Issue Date at a price of \$5.00 per share, subject to adjustment. Each holder of Series F Preferred Stock shall be entitled to receive, with respect to each share of Series F 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 Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

Series G Preferred Stock

The shares of Series G Preferred Stock have a stated value of \$750 per share and are convertible into Common Stock at the election of the holder of the Series G Preferred Stock, at any time following the Original Issue Date at a price of \$1.00 per share, subject to adjustment. Each holder of Series G Preferred Stock shall be entitled to receive, with respect to each share of Series G Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

Series H Preferred Stock

The shares of Series H Preferred Stock have a stated value of \$100 per share and are convertible into Common Stock at the election of the holder of the Series G Preferred Stock, at any time following the Original Issue Date at a price of \$1.00 per share, subject to adjustment. Each holder of Series H Preferred Stock shall be entitled to receive, with respect to each share of Series H Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common

Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

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

N/A

4. Describe any provision in the issuer's charter or by-laws that would delay, defer or prevent a Change in Control of the issuer.

N/A

Item 6 The number of shares or total amount of the securities outstanding for each class of securities authorized.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years.

- (i) Period end date;
- (ii) Number of shares authorized;
- (iii) Number of shares outstanding;
- (iv) Freely tradable shares (public float);
- (v) Number of beneficial shareholders owning at least 100 shares⁵; and
- (vi) Total number of shareholders of record.

Creadd Common

Period End Date: December 31, 2024

Total shares authorized: 1,500,000,000

Total shares outstanding: 4,613,794

Freely tradable shares (public float): 2,634,422

Number of beneficial shareholders owning at least 100 shares: 158

Total number of shareholders of record: 245

Creadd Warrant

Period End Date: December 31, 2024

Total shares authorized: 2,885,621

Total shares outstanding: 2,542,500

Freely tradable shares (public float): 2,542,500

Number of beneficial shareholders owning at least 100 shares: 9

Total number of shareholders of record: 9

Preferred Series E

Period End Date: December 31, 2024

Par or stated value: \$0.001

Total shares authorized: 8,000

Total shares outstanding: 450
Freely tradable shares (public float): 0
Number of beneficial shareholders owning at least 100 shares: 4
Total number of shareholders of record: 5

Preferred Series F
Par or stated value: \$0.001
Period End Date: December 31, 2024
Total shares authorized: 5,500,000
Total shares outstanding: 3,118
Freely tradable shares (public float): 0
Number of beneficial shareholders owning at least 100 shares: 4
Total number of shareholders of record: 4

Preferred Series G
Par or stated value: \$0.001
Period End Date: December 31, 2024
Total shares authorized: 500,000
Total shares outstanding: 2,085
Freely tradable shares (public float): 0
Number of beneficial shareholders owning at least 100 shares: 5
Total number of shareholders of record: 7

Preferred Series H
Par or stated value: \$0.001
Period End Date: December 31, 2024
Total shares authorized: 5,500,000
Total shares outstanding: 3,798
Freely tradable shares (public float): 0
Number of beneficial shareholders owning at least 100 shares: 8
Total number of shareholders of record: 8

Item 7 The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

*To be included in OTCQX or OTCQB, the issuers whose securities are incorporated in the U.S. or Canada *must* have a transfer agent registered under the Exchange Act.

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

Part C Business Information

Item 8 The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

- A. Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:
- B. **the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);** Corporation
- C. **the year that the issuer (or any predecessor) was organized;**

Creatd, Inc., formerly Jerrick Media Holdings, Inc. (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. ("GTPH") 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").

⁵ Securities quoted on OTCQX U.S. must have at least 50 beneficial shareholders each owning at least 100 shares. Securities quoted on OTCQX U.S. Premier must have at least 100 beneficial shareholders each owning at least 100 shares.

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 June 26, 2017, the Company filed to form Abacus Pty Ltd, an Australian-based entity, as a wholly-owned subsidiary of the Company.

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 its name to "Creatd, Inc.", which became effective on September 10, 2020

1. the issuer's fiscal year end date;

December 31

2. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

None

3. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

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.

On July 20, 2021, the Company acquired 44% of the membership interests of WHE Agency, Inc ("WHE"). WHE is a talent management and public relations

agency based in New York. WHE has been consolidated due to the Company's ownership of 55% voting control.

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 September 16, 2021, the Company filed a Certificate of Incorporation with the State of Delaware to form OG Gallery, Inc, a wholly owned subsidiary of the Company.

On October 3, 2021, the Company acquired an additional 29% of the membership interests of Dune, Inc., bringing its total membership interests to 50%. Dune, Inc., has been consolidated due to the Company's ownership of 50% voting control.

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 consolidated statements of operations and comprehensive loss.

On April 24, 2022, the Company filed a certificate of amendment with the Secretary of State of the State of Delaware to change the name of OG Gallery, Inc. to "OG Collection, Inc."

On August 1, 2022, the Company acquired 51% of the membership interests of Orbit Media LLC ("Orbit"), 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 consolidated statements of operations and comprehensive loss.

On September 13, 2022, the Company acquired 100% of the membership interests of Brave Foods, LLC ("Brave"), a Maine limited liability company. Brave is a plant-based food company that provides convenient and healthy breakfast food products. Brave 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 consolidated statements of operations and comprehensive loss.

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 its total ownership to 95%.

On January 11, 2023, the Company filed a membership agreement to form CEOBLOC, LLC a wholly owned subsidiary of the Company.

On January 25, 2023, the Company acquired an additional 24.3% equity interest in Dune, Inc. bringing its total ownership to 75%.

On February 1, 2023, an investor entered into a Subscription Agreement whereby it purchased from OG Collection, Inc., (a subsidiary, "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 its total membership interests to 56%.

On February 7, 2023, the Company acquired an additional 11% equity interest in Dune, Inc. bringing its total ownership to 85%.

On May 30, 2023, the Company acquired an additional 11% equity interest in Dune, Inc. bringing its total ownership to 96%.

On June 30, 2023, the Company acquired an additional 10% of the membership interests of Plant Camp, LLC, bringing its total ownership to 100%.

On July 28, 2023, the Company acquired an additional 17.5% of the membership interests of Orbit Media, LLC, bringing its total membership interests to 74%.

On July 31, 2023, the Company filed a Certificate of Incorporation with the state of Nevada to form Vocal, Inc., a wholly owned subsidiary. Vocal's assets, which had been developed directly under the Company since 2016, were reorganized into this new entity. This restructuring marked a significant step in the growth and evolution of Vocal, which began as part of the Company's business strategy to create a digital publishing platform supporting creators.

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 a 17.5% 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 July 17, 2024, Creatd entered into a strategic securities swap agreement with Hollywall Entertainment, Inc. Under this agreement, Creatd issued 16,578 shares of its common stock (CRTD) to Hollywall, while Hollywall issued 726,769 shares of its common stock (HWAL) to Creatd. This swap represents a minimum of 0.5% equity in each company, with the agreement forming part of a broader commitment towards potential expanded collaboration, subject to further due diligence.

On July 26, 2024, Creatd acquired 100% of the membership interests in S96 NYC, LLC (Studio 96 Publishing) from Ayelet Abitbul, an employee of the Company. The terms of the acquisition involved Creatd issuing 35,000 shares of common stock at a cost basis of \$1.20 per share and 65,000 warrants with an exercise price of \$1.20.

On August 1, 2024, Vocal, Inc. granted 48.72% of its membership interests, in the form of shares of Preferred Stock to officers, board members, employees, and consultants ("Key Drivers") involved with operations of Vocal.

On August 1, 2024, OG Collection, Inc. granted 46% of its membership interests, in the form of shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On August 9, 2024, the OG Collection, Inc. amended its Articles of Incorporation, increasing its authorized shares from 2,000,000, all of which was Common Stock, to 1,050,000,000, of which 1,000,000,000 shares became Common Stock and 50,000,000 shares became Preferred Stock.

On August 9, 2024, Vocal, Inc. granted an additional 3.01% of its membership interests, in the form of shares of Preferred Stock, to Key Drivers involved with operations of Vocal.

On August 12, 2024, OG Collection, Inc. granted an additional 1.5% of its membership interests, in the form of shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On August 20, 2024, the Company acquired 0.5% of equity in Geopulse Explorations, Inc. a holding company focused on owning and developing technologies in the cannabis industry. As consideration for this acquisition, Geopulse Explorations received 21,675 shares of the Company's common stock.

On October 21, 2024, Vocal, Inc. granted an additional 8.26% of its membership interests, in the form of shares of Preferred Stock, to Key Drivers involved with operations of Vocal.

On November 11, 2024, the Company acquired 5% of equity in THEPOWERHOUSE, LLC, the parent company of thehouseofarts.com and several influential ventures spanning art, fashion, and design. As consideration for this acquisition, THEPOWERHOUSE, LLC received 333,333

shares of the Company's common stock.

On November 26, 2024, the Company acquired 1% of equity in Enzyloitics, Inc. a biotechnology company focused on developing in the pharmaceutical industry. As consideration for this acquisition, Enzyloitics received 39,824 shares of the Company's common stock.

On November 27, 2024, the Company rescinded 1.5% of its membership interests in OG Collection, Inc. and 1.70% of its membership interests in Vocal, Inc. previously issued to a board member after their resignation.

4. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

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 each of the years ended December 31, 2024 and 2023, the Company recorded \$9,929 in interest.

As of December 31, 2024, 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.

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 "First 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 was 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.

During the year ended December 31, 2024, the Company paid \$45,000 towards this note.

The Company recorded a \$300,000 debt discount relating to an original issue discount. The debt discount was amortized over the life of the note to accretion of debt discount and issuance cost. During the year ended December 31, 2023, the Company amortized \$178,694 of the discount. As of December 31, 2023, this debt discount has been fully amortized.

As of December 31, 2024, the Loan is in default.

419 Lafayette Lease

On May 1, 2022, the Company entered into a lease agreement for its former corporate headquarters, consisting of a total of 8,000 square feet and is located at 419 Lafayette Street, 6th Floor, New York, NY, 10003. The lease term was 7 years commencing May 1, 2022.

During 2024, the Company entered into and then subsequently amended the lease agreement for 419 Lafayette Street, with the goal of terminating the lease going forward contingent upon a payment plan for amounts owed under the lease. Under this agreement \$120,000 was owed prior to February 4, 2025, which amount was satisfied via the issuance of 125,000 shares of common stock in August 2024 (see Common Stock for full details on this issuance). An additional \$220,000 is due in monthly installments of \$19,000 between February 2025 and February 2026, and an additional \$252,000 is due in monthly installments of \$21,000 per month between February 2026 and February 2027. These payments are subject to acceleration based upon the Company's financing proceeds. As of December 31, 2024, the amount owed on this lease under Accounts Payable on its consolidated balance sheets was \$480,000. See Subsequent Events.

1674 Meridian Avenue Lease

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, 2024 and 2023, the Company is in breach of this lease agreement and carries an accounts payable balance of \$120,597 on its consolidated balance sheets.

5. any change of control;

none

6. any increase of 10% or more of the same class of outstanding equity securities;

During 2024, the Company issued multiple tranches of Preferred and Common stock in exchange for compensation, conversions, services, settlements and strategic transactions that in aggregate exceeded 10% of shares outstanding for any one class. These issuances are detailed below.

Common stock issued upon conversion of notes payable

On January 17, 2023, the Company issued 228 shares pursuant to a conversion of \$51,132 in convertible notes at a price of \$225.25 per share.

On February 10, 2023, the Company issued 8,667 shares of its common stock pursuant to a conversion of \$866,650 in convertible notes at a price of \$100 per shares.

On February 13, 2023, the Company issued 5,000 shares of its common stock pursuant to a conversion of \$500,000 in convertible notes at a price of \$100 per share.

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 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 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 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 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 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 January 9, 2024, the Company issued 20,000 shares of its common stock pursuant to a conversion of \$100,000 in convertible notes and accrued interest at a price of \$5.00 per share.

On February 2, 2024, the Company issued 16,424 shares of its common stock pursuant to a conversion of \$82,103 in accrued interest on convertible notes at a price of \$5.00 per share.

On March 15, 2024, the Company issued 1,287 shares pursuant to a conversion of \$4,500 in promissory notes at a price of \$3.50 per share.

On March 18, 2024, the Company agreed to the cancellation of a previous conversion of \$4,285 in notes payable and rescinded the issuance of 343 shares of its common stock.

On March 19, 2024, the Company issued 5,000 shares pursuant to the conversion of \$40,000 in convertible notes at a price of \$8.00 per share.

On July 2, 2024, the Company issued 231,815 shares of common stock in exchange for \$278,179 in convertible notes payable at a price of \$1.20 per share.

On July 10, 2024, the Company issued 275,000 shares of common stock in exchange for \$330,000 in notes payable and accrued interest at a price of \$1.00 per share, resulting in a gain on settlement of debt of \$55,000.

On July 11, 2024, the Company issued 128,205 shares of common stock in exchange for \$41,129 in notes payable and \$58,871 in interest at a price of \$0.78 per share, resulting in a loss on settlement of debt of \$28,205.

On July 22, 2024, the Company issued 171,039 shares of common stock in exchange for \$133,411 in notes payable at a price of \$0.90 per share, resulting in a loss on settlement of debt of \$20,524. Additionally, the Company issued 10,461 shares with a fair value of \$9,414 as penalties and fees in relation to the conversion of a note payable.

On July 29, 2024, the Company issued 81,924 shares of common stock for the conversion of \$98,309 in notes payable and accrued interest at a price of \$1.20 per share.

On September 12, 2024, the Company issued 161,346 shares of common stock for the conversion of \$41,429 in notes payable at a price of \$0.26 per share, resulting in a loss on settlement of debt of \$40,857.

On November 6, 2024, a noteholder converted \$54,000 in principal for 150,000 shares of common stock at a price of \$0.36 per share, resulting in a loss on settlement of debt of \$43,500.

On December 2, 2024, a noteholder converted \$9,683 in principal and \$11,999 in interest into 57,635 shares of common stock at a price of \$0.38 per share, resulting in a loss on settlement of debt of \$19,815.

Shares issued for settlement of accounts payable

On February 28, 2024, the Company issued 2,300 shares at a fair value of \$11,270 to settle \$2,300 in outstanding liabilities, resulting in a loss on settlement of debt of \$8,970.

On February 28, 2024, the Company issued 18,000 shares of common stock with a fair value of \$88,200 to a vendor to settle \$15,120 in outstanding liabilities, resulting in a loss on settlement of debt of \$73,080.

On March 22, 2024, the Company issued 33,895 shares of common stock with a fair value of \$203,370 to a vendor to settle \$27,472 in outstanding liabilities, resulting in a loss on settlement of debt of \$174,898.

On August 22, 2024, the Company issued 125,000 shares of common stock with a fair value of \$121,250 in exchange for \$120,000 in accounts payable outstanding to a vendor, resulting in a loss on settlement of debt of \$1,250. This issuance satisfied the first stage of a payment plan entered into relating to the termination of the Company's lease at 419 Lafayette Street. See Lease Agreements for further details on the lease agreement and its settlement.

On November 12, 2024, Jessica Skube and the Company executed a settlement agreement for the matter of Skube v WHE Agency Inc., et al. As part of the agreement, Ms. Skube received 150,000 shares of the Company's common stock, with an additional 35,000 shares of common stock issued in legal fees with a fair value of \$145,410 to settle the outstanding balance of \$191,360, resulting in a loss on settlement of debt of \$45,950.

On November 25, 2024, the Company entered into agreements with 2 vendors to settle a total of \$665,620 in accounts payable for 437,347 shares of common stock with a fair value of \$362,998 and 975 shares of Series G Preferred with a fair value of \$606,938. This resulted in a loss on settlement of debt of \$304,316.

On December 23, 2024, the Company entered into agreements with 2 vendors to settle a total of \$13,400 in accounts payable for 13,400 common shares with a fair value of \$5,360, resulting in a gain on settlement of debt of \$8,040.

Shares issued for settlement of compensation to employees and consultants

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 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 April 22, 2024, the Company issued 691,845 shares of common stock with a fair value of \$1,252,239 in exchange for \$609,535 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$642,704.

On June 7, 2024, the Company issued 219,535 shares of common stock with a fair value of \$392,968 in exchange for \$144,502 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$248,466.

On June 26, 2024, the Company issued 216,704 shares of common stock with a fair value of \$343,476 in exchange for \$84,514 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$258,962.

On July 31, 2024, the Company issued 250,339 shares of common stock with a fair value of \$367,998 in exchange for \$78,048 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$289,950.

On September 30, 2024, the Company reversed the majority of the above conversions and rescinded 1,385,255 shares of common stock previously issued for the conversion of net pay owed to employees, officers, and directors, and payables to key consultants. The rescinded shares had a fair value of \$581,807, and resulted in the reinstatement of \$881,304 of the net pay owed to employees and payables and key consultants previously converted on April 22, June 7, June 26, and July 31, 2024.

On October 1, 2024, the Company re-offered employees, officers, directors, and key consultants the ability to convert their payables into Preferred Series H stock, and issued 3,798 shares of Preferred Series H stock with a fair value of \$755,422 in exchange for \$379,405 in net pay owed to employees, officers, and directors, and payables to key consultants. These conversions resulted in a loss on settlement of debt of \$376,017. The Series H Preferred shares issue contain all the standard terms and conditions under the certificate of destination for that class of stock, including conversion price adjustment upon the sale of equity at a lower price subsequent to the issuance of these shares. See Series H Convertible Preferred Stock for additional information on the terms of Series H Preferred.

Common stock issued for financing fees

On May 16, 2023, the Company issued 750 shares of its restricted common stock at a fair value of \$16,090 to the First May 2023 Lender as additional consideration for entering into the First May 2023 Loan Agreement.

On July 11, 2023, the Company issued 4,500 shares of its restricted common

stock at a fair value of \$106,139 as commitment shares pursuant to a promissory note.

On July 31, 2023, the Company issued 4,000 shares of its restricted common stock at a fair value of \$23,067 as commitment shares pursuant to a promissory note.

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 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 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 November 1, 2023, the Company issued 10,000 shares of its common stock at a fair market value of \$46,512 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 \$117,474 as commitment shares pursuant to the extension of the maturity date of a promissory note.

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 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.

On January 10, 2024, the Company issued 14,000 shares of its restricted common stock at a fair value of \$28,000 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On March 21, 2024, the Company issued 3,500 shares of its restricted common stock at a fair value of \$21,700 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On March 25, 2024, the Company issued 3,000 shares of its restricted common stock at a fair value of \$16,710 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On July 2, 2024, the Company issued 2,060 shares of common stock with a fair

value of \$2,431 to an investor for fees and penalties associated with a convertible note.

Shares issued for acquisition of consolidated subsidiary

On January 25, 2023, the Company issued 200 shares of common stock to acquire an additional 24% of Dune, Inc.

On February 7, 2023, the Company issued 2,002 shares of common stock to acquire an additional 11% of Dune, Inc.

On February 13, 2023, the Company issued 200 shares of its common stock to acquire an additional 51% of WHE Agency, Inc.

On February 13, 2023, the Company issued 250 shares of its common stock to acquire an additional 5% of Orbit Media, LLC.

On May 30, 2023, the Company issued 983 shares of its restricted common stock at a fair value of \$223,734 in exchange for the remaining equity interest in Dune Inc.

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 28, 2023, the Company issued 2,188 shares of its restricted common stock at a fair value of \$14,874 in exchange for 18% membership interest in Orbit Media LLC.

On July 26, 2024, the Company issued 35,000 common shares with a fair value of \$38,150 to acquire 100% of the membership interests in S96 NYC, LLC (Studio 96 Publishing) from Ayelet Abitbul, an employee of the Company. Additionally, the Company issued 65,000 warrants with an exercise price of \$1.20 and an expected life of 5 years with a value of \$70,850, for a total purchase price of \$109,000. Of this purchase price, \$5,450 was recorded as Goodwill and \$103,550 was recorded as intangible assets.

Stock based compensation in Creatd. Inc.

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 \$18,085,747.

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 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 1,350 shares of its restricted common stock to consultants in exchange for services at a fair value of \$76,950.

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 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 \$50,600.

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 March 1, 2024, the Company issued 10,000 shares at a fair value of \$51,100 to a vendor for services rendered. On May 17, 2024, these shares were then rescinded as part of a renegotiation of the agreement with this vendor.

On April 22, 2024, the Company issued 11,436 shares at a fair value of \$20,699 to a vendor for services rendered.

On May 28, 2024, the Company issued 55,000 shares of common stock with a fair value of \$99,000 to a vendor for services rendered.

On March 5, 2024, the Company issued 10,000 shares at a fair value of \$46,000 to a vendor for services rendered.

On March 6, 2024, the Company issued 15,000 shares with a fair value of \$69,750 to a vendor for services.

On July 8, 2024, the Company issued 9,615 shares of common stock with a fair value of \$10,288 to a vendor for services rendered.

On July 24, 2024, the Company issued 165,000 shares with a fair market value of \$155,100 to a vendor for services rendered.

On August 20, 2024, the Company issued 10,000 shares of common stock with a fair value of \$8,400 to 2 vendors for services rendered.

On September 27, 2024, the Company issued 572 shares with a fair value of \$217 to 2 directors of the Company for services rendered.

On November 7, 2024, the Company issued 107,698 shares with a fair market value of \$77,536 to consultants for services rendered.

On December 18, 2024, the Company issued 5,198 shares with a fair market value of \$2,079 to consultants for services rendered.

Shares issued for acquisition of marketable securities

On July 17, 2024, the Company acquired 0.5% of equity in Hollywall Entertainment Inc., in exchange for 16,578 shares of the Company's common stock.

On August 20, 2024, the Company acquired 0.5% of equity in Geopulse Explorations, Inc. a holding company focused on owning and developing technologies in the cannabis industry. As consideration for this acquisition, Geopulse Explorations received 21,675 shares of the Company's common stock.

On November 26, 2024, the Company acquired 1% of equity in Enzyloitics, Inc. a biotechnology company focused on developing in the pharmaceutical industry. As consideration for this acquisition, Enzyloitics received 39,824 shares of the Company's common stock.

Shares issued for acquisition of minority interest

On November 11, 2024, the Company acquired 5% of equity in THEPOWERHOUSE, LLC, the parent company of thehouseofarts.com and several influential ventures spanning art, fashion, and design. As consideration for this acquisition, The Powerhouse LLC received 333,333 shares of the Company's common stock. This minority equity investment was booked in Minority interest in business on the consolidated balance sheets at cost.

Shares issued for conversion of preferred to common

Between March 15, 2024 and March 18, 2024 6 investors converted 1,562 shares of Preferred Series F stock into 312,400 shares of common stock.

On March 20, 2024, 1 investor converted 120 shares of Preferred Series F stock into 24,000 shares of common stock.

Between June 25 and June 27, 2024, the Company issued 542,600 shares of common stock for the conversion of 2,713 shares of Series F Preferred.

On July 25, 2024, the Company issued 100,000 shares of common stock for the conversion of 500 shares of Series F preferred stock.

Between July 31, 2024 and August 1, 2024, the Company issued 61,000 shares of common stock for the conversion of 305 shares of preferred series F stock.

On September 30, 2024, 2 investors rescinded a conversion of 575 shares of Preferred Series F stock, causing the cancellation of 115,000 shares of common

stock and the re-issuance of 575 shares of Preferred Series F stock.

Exercise of warrants to stock

Between January 25, 2023 and March 13, 2023, the Company issued 7,367 shares of common stock pursuant to the exercise of 7,367 warrants at an exercise price of \$100 per share for gross proceeds of \$736,810.

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

Shares issued for rounding in reverse stock split

On January 24, 2024, the Company effectuated a 1-for-500 reverse stock split. 3,554 shares with a fair value of \$12,084 were issued pursuant to rounding from this reverse stock split.

7. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

On January 24, 2024, the Company effectuated a 1-for-500 reverse stock split. 3,554 shares with a fair value of \$12,084 were issued pursuant to rounding from this reverse stock split.

For mergers and acquisitions, see No. 5 above.

8. any delisting of the issuer's securities by any securities exchange; and

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 prescribed 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, the Company's 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.

9. **any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.**

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. As of December 31, 2023, the Company had a balance of \$191,360 accrued for Miss Skube, which is included within accounts payable and accrued liabilities on the consolidated balance sheets.

On November 12, 2024, Jessica Skube and the Company executed a settlement agreement. As part of the agreement, Ms. Skube received 150,000 shares of the Company's common stock, valued at \$150,000, with an additional 35,000 shares of common stock issued in legal fees, valued at \$35,000.

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, and was awaiting a response as of December 31, 2023.

As of December 31, 2023, there was \$990,000 in outstanding principal, which is included in convertible notes net of debt discount and issuance costs on the consolidated balance sheets and \$297,814 in outstanding interest, which is included within accounts payable and accrued liabilities on the consolidated balance sheets.

On March 13, 2024, 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. See ("The First May 2022 Convertible Note" and "The Second May 2022 Convertible Note" in Note 6 for further detail.

D. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it. To the extent material to an understanding of the issuer, please also include the following:

Creatd, Inc. is focused on identifying and supporting innovative businesses across media, technology, and consumer sectors. The company strategically invests in emerging, pre-profitability ventures, driving growth through operational expertise and creative integration. Creatd's diversified portfolio includes Vocal, a digital publishing platform empowering creators with monetization tools, and OG Collection, an archival library of cultural media and photography assets. With targeted investments and strategic alliances, Creatd is positioned to capitalize on opportunities within dynamic markets, leveraging its extensive experience in public finance, structured products, and consumer technology to enhance shareholder value.

1. the issuer's primary and secondary SIC Codes; 7374, 4522
2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations; Currently conducting operations
3. whether the issuer has at any time been a "shell company";
No

⁶ For the purpose of this section a "shell company" means an issuer, other than a business combination related shell company, as defined by Securities Act Rule 405, or an asset-backed issuer, as defined by Item 1101(b) of Regulation AB, that has:

- (1) No or nominal operations; and
- (2) Either:
 - (A) No or nominal assets;
 - (B) Assets consisting solely of cash and cash equivalents; or
 - (C) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

Instruction to paragraph B.3 of Item 8:

The issuer must attest that it is not currently a shell company. If the issuer discloses that it was formerly a shell company, it must also include the following disclosure on the front page of its disclosure statement in boldface, 12 point type:

"We previously were a shell company, therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction."

4. the names and contact information of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;

Parent: Creatd, Inc.

Contact: Jeremy Frommer, (646) 859-5747

Description: Creatd, Inc. is a Nevada corporation and the parent company of all consolidated operations. The company functions as a publicly traded holding company focused on acquiring, recapitalizing, and managing a portfolio of businesses across media, technology, publishing, and e-commerce. Included in the consolidated financial statements.

Subsidiary: Vocal, Inc.

Contact: Justin Maury, (646) 859-5747

Description: Vocal, Inc. is a Delaware corporation that operates the Vocal platform, a digital publishing and creator-enablement platform for long-form content and brand collaborations. Wholly owned and included in the consolidated financial statements.

Subsidiary: OG Collection, Inc.

Contact: Jeremy Frommer (646) 859-5747

Description: OG Collection, Inc. is a Delaware corporation that manages the OG Collection, a curated archive of photography, art, and cultural intellectual property licensed for commercial and publishing use. Wholly owned and included in the consolidated financial statements.

Subsidiary: Studio 96 Publishing (S96 NYC LLC)

Contact: Aya Abitbul (646) 859-5747

Description: Studio 96 Publishing is a New York limited liability company acquired by Creatd on July 26, 2024. It is a luxury publishing imprint specializing in collectible and interactive art and fashion books. Wholly owned and included in the consolidated financial statements.

Subsidiary: Jerrick Ventures LLC

Contact: Jeremy Frommer (646) 859-5747

Description: Jerrick Ventures LLC is a Delaware limited liability company that serves as a legacy intellectual-property and administrative entity maintaining contracts and content rights developed under Jerrick Media. Wholly owned and included in the consolidated financial statements.

Subsidiary: Abacus Tech Pty Ltd

Contact: Jeremy Frommer (646) 859-5747

Description: Abacus Tech Pty Ltd is an Australian subsidiary of Creatd, Inc. formed for the purpose of partnering with the Company's Sydney-based development team for research and development of the Vocal platform.

Affiliate: Geopulse Explorations, Inc.

Contact: (646) 859-5747

Description: Geopulse Explorations, Inc. is a small-cap public company in which Creatd holds a minority equity position of less than 5%. Not included in the consolidated financial statements.

Affiliate: The Powerhouse LLC

Contact: (646) 859-5747

Description: The Powerhouse LLC is a digital-media company in which Creatd holds a 5% equity interest as a strategic investment. Not included in the consolidated financial statements.

Affiliate: Enzyloitics, Inc.

Contact: (646) 859-5747

Description: Enzyloitics, Inc. is a biotechnology company in which Creatd holds approximately 1% equity. Not included in the consolidated financial statements.

Affiliate: Hollywall Entertainment, Inc. (HWAL)

Contact: (646) 859-5747

Description: Hollywall Entertainment, Inc. is a publicly traded media and communications company in which Creatd, Inc. holds a minority equity position obtained through a strategic securities swap executed on July 17, 2024. The investment represents less than 5% ownership. Not included in the consolidated financial statements.

5. the effect of existing or probable governmental regulations on the business;

As of December 31, 2024, existing governmental regulations do not have a material adverse effect on the business of Creatd, Inc. or its subsidiaries. As a publicly traded issuer, Creatd is subject to the reporting, disclosure, and compliance requirements of the Securities Exchange Act of 1934, the Securities Act of 1933, and the rules and regulations promulgated by the U.S. Securities and Exchange Commission (SEC) and OTC Markets Group. These include requirements relating to financial reporting, insider trading, beneficial ownership, and corporate governance.

The company and its subsidiaries also operate in digital publishing, media production, and e-commerce, industries that are generally subject to federal,

state, and local laws governing advertising, data privacy, intellectual property, and consumer protection. Subsidiaries such as Vocal, Inc. must also comply with Federal Trade Commission (FTC) guidelines on sponsored content, advertising disclosures, and influencer partnerships.

Management does not anticipate any current or proposed governmental regulations that would materially affect the company's consolidated financial position or business operations. Creatd maintains internal controls and compliance procedures designed to meet SEC reporting standards, OTC Markets disclosure obligations, and applicable data, employment, and advertising laws.

6. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities were borne directly by customers;

2024: \$204,043

2023: \$362,013

The cost of such activities was not borne directly by customers.

7. costs and effects of compliance with environmental laws (federal, state and local); and

None.

8. the number of total employees and number of full-time employees.

5 employees. 5 full time employees.

For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required. Contact OTC Markets Group for more information.

Item 9 The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets;

Creatd

As of December 31, 2024, Creatd, Inc. operates as a publicly traded holding company focused on acquiring, recapitalizing, and managing a portfolio of businesses across media, publishing, technology, and e-commerce. The company's principal products and services are provided through its consolidated subsidiaries, which together form a diversified ecosystem serving both consumers and businesses in the digital creator economy.

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.

Vocal for Brands

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.

OG Collection, Inc.

The OG Collection manages a curated archive of fine-art photography and cultural IP, offering licensing, exhibitions, and publishing opportunities to media outlets, galleries, and brand collaborators. The collection appeals to audiences in art, media, and fashion sectors. This division manages a curated archive of fine-art photography and cultural works, and produces collectible coffee table books and art publications derived from that archive. Its titles are distributed to global art collectors, luxury brands, and specialty retailers.

B. Distribution methods of the products or services;

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, Studio 96 Publishing and OG Collection. 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.

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.

- C. status of any publicly announced new product or service;**
No materially new products or services, just regular maintenance and site updates to Vocal.
- D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition;**

As of December 31, 2024, Creatd, Inc. operates within competitive industries that include digital media, publishing, and the broader creator and e-commerce economy. Competition in these sectors is largely based on audience engagement, operational efficiency, access to capital, and the ability to adapt to rapidly changing market dynamics.

Creatd's primary competitive advantage lies in its data-driven approach to portfolio management. Across all subsidiaries and investments, the company applies big-data analytics to assess and optimize sales performance, marketing effectiveness, logistics, and operational processes, materially improving the financial performance of its portfolio companies. This analytical framework enables Creatd to identify inefficiencies, allocate resources strategically, and enhance profitability across its holdings.

Unlike traditional holding companies or standalone media operators, Creatd's model integrates technology, publishing, and investment management under one structure. Through subsidiaries such as Vocal and OG Collection, the company leverages its shared infrastructure, audience data, and operational insights to support the growth of both wholly owned and minority-held businesses.

By combining creative development with data intelligence, Creatd occupies a distinct position in the small-cap and digital media landscape—balancing innovation with disciplined operational oversight to generate long-term value.

- E. sources and availability of raw materials and the names of principal suppliers; N/A
- F. dependence on one or a few major customers; N/A
- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and

Creatd, Inc. and its subsidiaries hold the trademarks to the names "Vocal" and "Studio 96 Publishing" as well as associated logos and marks.

- H. the need for any government approval of principal products or services and the status of any requested government approvals.
N/A

Item 10 The nature and extent of the issuer's facilities.

Please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

As of December 31, 2024, the Company currently does not own or lease any properties.

Part D Management Structure and Financial Information

Item 11 Company Insiders (Officers, Directors, and Control Persons).

Please give 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 shareholders.

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners, as of the date of this information statement:

1. Full name;
2. Officer/Director Title:
3. Business address;
4. Employment history (which must list all previous employers for the past 5 years, positions held, responsibilities and employment dates);
5. Board memberships and other affiliations
6. Compensation by the issuer; and
7. Number and class of the issuer's securities beneficially owned by each such person.

Jeremy Frommer

1. Jeremy Phillip Frommer
2. CEO and CFO
3. Address at 1111B S Governors Ave STE 20721, Dover, Delaware, 19904.
4. CEO of Jerrick Media Holdings since 2014, renamed Creatd, Inc. in 2020
5. Chairman of the Board of Creatd, Inc.
6. Compensation by the issuer; \$375,000
7. Number and class of the issuer's securities beneficially owned:
 - 923,306 Common Shares (9.09%)
 - 642 Series H Preferred Shares (16.90%)
 - 4,200,454 Warrants (16.62%)

Justin Maury

1. Justin Fontaine Maury
2. COO of Creatd, Inc., CEO of Vocal Inc.
3. Address at 1111B S Governors Ave STE 20721, Dover, Delaware, 19904.
4. President of Jerrick Media Holdings since 2014, renamed Creatd, Inc. in 2020
5. Member of the Board of Creatd, Inc.
6. Compensation by the issuer; \$375,000
7. Number and class of the issuer's securities beneficially owned:
 - 923,396 Common Shares (9.09%)
 - 636 Series H Preferred Shares (16.75%)
 - 754,981 Warrants (2.99%)

Peter Majar

1. Peter Majar
2. Member of the Board of Directors of Creatd, Inc.
3. Address at 1111B S Governors Ave STE 20721, Dover, Delaware, 19904.
4. Joined Creatd's Board of Directors in May 2022. Concurrent with his role at Creatd, Pete is the founder of Majar Advisors, a financial consultancy. Prior to his role at Creatd, Mr. Majar was the CFO and Head of Strategy at Hoyos Integrity Corporation from October 2021 to April 2022, and Managing Director of Investment Banking and Head of Financial Technology at TAP Advisors from February 2018 to April 2022.
5. Member of the Board of Directors of Creatd, Inc.
6. Compensation by the issuer; \$210,000
7. Number and class of the issuer's securities beneficially owned:
 - 923,216 Common Shares (9.09%)
 - 630 Series H Preferred Shares (16.59%)
 - 743,718 Warrants (2.94%)

B. Other Control Persons. In responding to this item, please provide the following information for all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities **as of the date of this information statement**. Do not include Officers or Directors previously listed.

1. Full name;
2. Address; and
3. Number and class of the issuer's securities beneficially owned.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Class of Shares Owned	Number of Shares Owned (List common, preferred, warrants and options separately)	Percentage of Class of Shares Owned (undiluted)
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AIRHub, Inc. Jeff Ramson,	5% Owner of Class	New York, NY	Preferred I	3,000	7.93%
Arthur Rosen	Independent Director	Isle of Palms, SC	Warrants	0	0.00%
Aya Abitbul	5% Owner of Class	New York, NY	Options	720,747	6.32%
Aya Abitbul	5% Owner of Class	New York, NY	Preferred H	224	5.90%
Aya Abitbul	5% Owner of Class	New York, NY	Common	457,000	3.84%
Aya Abitbul	5% Owner of Class	New York, NY	Warrants	403,727	1.50%
Carmit Cohen	5% Owner of Class	North Woodmere, NY	Preferred G	767	5.06%
Carmit Cohen	5% Owner of Class	North Woodmere, NY	Warrants	575,250	2.14%
Chris Riggio	5% Owner of Class	Brooklyn, NY	Options	924,815	8.11%
Chris Riggio	5% Owner of Class	Brooklyn, NY	Common	456,896	3.84%
Chris Riggio	5% Owner of Class	Brooklyn, NY	Preferred H	140	3.69%
Chris Riggio	5% Owner of Class	Brooklyn, NY	Warrants	102,205	0.38%
Dorado Goose, LLC; Tommy Wang 170 Dorado Bch E, Dorado, PR, 00646	5% Owner of Class	Dorado Beach, PR	Preferred F	2,253	98.69%
Dorado Goose, LLC; Tommy Wang 170 Dorado Bch E, Dorado, PR, 00646	5% Owner of Class	Dorado Beach, PR	Warrants	3,407,626	12.68%
Dorado Goose, LLC; Tommy Wang 170 Dorado Bch E, Dorado, PR, 00646	5% Owner of Class	Dorado Beach, PR	Preferred G	537	3.54%
Dorado Goose, LLC; Tommy Wang 170 Dorado Bch E, Dorado, PR, 00646	5% Owner of Class	Dorado Beach, PR	Common	13,125	0.11%
Erica Wagner	5% Owner of Class	London, ENG	Preferred H	331	8.72%
Erica Wagner	5% Owner of Class	London, ENG	Warrants	511,167	1.90%
Erica Wagner	5% Owner of Class	London, ENG	Common	3,389	0.03%

Gregory Castaldo	5% Owner of Class	Pelham, NY	Preferred G	901	5.95%
Gregory Castaldo	5% Owner of Class	Pelham, NY	Warrants	829,369	3.09%
Gregory Castaldo	5% Owner of Class	Pelham, NY	Common	121,000	1.02%
Iroquois Master Fund; Richard Abbe 2 Overhill Road, Scarsdale, New York 10583	5% Owner of Class	Scarsdale, NY	Preferred G	834	5.50%
Iroquois Master Fund; Richard Abbe 2 Overhill Road, Scarsdale, New York 10583	5% Owner of Class	Scarsdale, NY	Warrants	625,500	2.05%
Joseph Reda	5% Owner of Class	Pelham, NY	Preferred G	1,166	5.93%
Joseph Reda	5% Owner of Class	Pelham, NY	Warrants	870,525	3.24%
Joseph Reda	5% Owner of Class	Pelham, NY	Common	168,200	1.41%
Lind Global Fund II LP; Jeff Easton 444 Madison Avenue, FL 41 New York, NY 10022	5% Owner of Class	New York, NY	Preferred F	150	1.31%
Lucosky Brookman, LLP; Joseph Lucosky & Seth Brookman 101 S Wood Ave, Iselin, NJ 08830	5% Owner of Class	Iselin, NJ	Preferred G	867	5.72%
Lucosky Brookman, LLP; Joseph Lucosky & Seth Brookman 101 S Wood Ave, Iselin, NJ 08830	5% Owner of Class	Iselin, NJ	Common	388,889	3.27%
MACK Financial Solutions; Chelsea Pullano 78 Dudley Dr, Bergenfield, NJ 07621	5% Owner of Class	Bergenfield, NJ	Preferred H	563	14.82%
MACK Financial Solutions; Chelsea Pullano 78 Dudley Dr, Bergenfield, NJ 07621	5% Owner of Class	Bergenfield, NJ	Common	457,000	3.84%
MACK Financial Solutions; Chelsea Pullano 78 Dudley Dr, Bergenfield, NJ 07621	5% Owner of Class	Bergenfield, NJ	Options	244,419	2.14%
MACK Financial Solutions; Chelsea Pullano 78 Dudley Dr, Bergenfield, NJ 07621	5% Owner of Class	Bergenfield, NJ	Warrants	758,949	2.82%
Marc Sellouk	5% Owner of Class	North Woodmere, NY	Preferred I	14,812	39.17%
Marc Sellouk	5% Owner of Class	North Woodmere, NY	Common	1,184,632	9.96%
PCG Advisory, Jeff Ramson	5% Owner of Class	New York,	Preferred I	12,500	33.06%

		NY			
Prism Media Holdings, Inc., Jeff Ramson	5% Owner of Class	New York, NY	Preferred I	5,000	13.22%
Prism MediaWire, Inc., Jeff Ramson	5% Owner of Class	New York, NY	Preferred I	2,500	6.61%
Robert Tal	5% Owner of Class	Oakhurst, NJ	Options	2,375,331	20.84%
Robert Tal	5% Owner of Class	Oakhurst, NJ	Preferred H	632	16.64%
Robert Tal	5% Owner of Class	Oakhurst, NJ	Common	457,105	3.84%
Robert Tal	5% Owner of Class	Oakhurst, NJ	Warrants	862,306	3.21%
SEG Opportunity Fund, LLC; Joseph Reda & Jonathan Schechter					
One Wolfs Lane Suite 316 Pelham, NY 10803	5% Owner of Class	Pelham, NY	Preferred G	2,602	17.17%
SEG Opportunity Fund, LLC; Joseph Reda & Jonathan Schechter					
One Wolfs Lane Suite 316 Pelham, NY 10803	5% Owner of Class	Pelham, NY	Warrants	1,951,500	6.33%

To the extent not otherwise disclosed, if any of the above shareholders are corporations or other legal entities rather than individuals, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agent of each corporate shareholder.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
None.
2. 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, or banking activities;
None.

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

None.

4. The entry 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.

None.

C. Disclosure of Family Relationships. Describe any family relationships⁷ among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.

None.

D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years **and** (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

None

The name of the related person and the basis on which the person is related to the issuer;

1. The related person's interest in the transaction;
2. The approximate dollar value involved in the transaction (in the case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, the amount thereof outstanding as of the latest practicable date, the amount of principal and interest paid during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);
3. The approximate dollar value of the related person's interest in the transaction; and
4. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

Instruction to paragraph D of Item 11:

1. *For the purposes of paragraph D of this Item 11, the term “related person” means any director, executive officer, nominee for director, or beneficial owner of more than five percent (5%) of any class of the issuer’s equity securities, immediate family members⁸ of any such person, and any person (other than a tenant or employee) sharing the household of any such person.*
2. *For the purposes of paragraph D of this Item 11, a “transaction” includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.*

The “amount involved in the transaction” shall be computed by determining the dollar value of the amount involved in the transaction in question, which shall include:

- a. *In the case of any lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments due on or after the beginning of the issuer’s last fiscal year, including any required or optional payments due during or at the conclusion of the lease or other transaction providing for periodic payments or installments; and*
- b. *In the case of indebtedness, the largest aggregate amount of all indebtedness outstanding at any time since the beginning of the issuer’s last fiscal year and all amounts of interest payable on it during the last fiscal year.*
3. *In the case of a transaction involving indebtedness:*
 - a. *The following items of indebtedness may be excluded from the calculation of the amount of indebtedness and need not be disclosed: amounts due from the related person for purchases of goods and services subject to usual trade terms, for ordinary business travel and expense payments and for other transactions in the ordinary course of business; and*
 - b. *Disclosure need not be provided of any indebtedness transaction for beneficial owners of more than five percent (5%) of any class of the issuer’s equity securities or such person’s family members.*
4. *Disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction need not be provided. Disclosure of compensation to a director also need not be provided.*

⁷ The term “family relationship” means any relationship by blood, marriage or adoption, not more remote than first cousin.

⁸ “Immediate family members” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law.

5. *A person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the issuer shall not be deemed to have an indirect material interest for purposes of paragraph D of this Item 11 where:*

a. The interest arises only:

i. From such person's position as a director of another corporation or organization that is a party to the transaction; or

ii. From the direct or indirect ownership by such person and all other related persons, in the aggregate, of less than a ten percent (10%) equity interest in another entity (other than a partnership) which is a party to the transaction; or

iii. From both such position and ownership; or

b. The interest arises only from such person's position as a limited partner in a partnership in which the person and all other related persons have an interest of less than ten percent (10%), and the person is not a general partner of and does not hold another position in the partnership.

Disclosure need not be provided pursuant to paragraph D of this Item 11 if:

c. The transaction is one where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

d. The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services; or

e. The interest of the related person arises solely from the ownership of a class of equity securities of the issuer and all holders of that class of equity securities of the issuer received the same benefit on a pro rata basis.

6. *Include information for any material underwriting discounts and commissions upon the sale of securities by the issuer where any of the specified persons was or is to be a principal underwriter or is a controlling person or member of a firm that was or is to be a principal underwriter.*

E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

Item 12 Financial information for the issuer's most recent fiscal period.

Instruction to Item 12: The issuer shall post the financial statements required by this Item 12 through www.OTCIQ.com under the appropriate report name for the applicable period end. (If the financial statements relate to a fiscal year end, publish it as an "Annual Report," or if the financial statements relate to a quarter end, publish it as a "Quarterly Report" or "Interim Financial Report") **The issuer**

must state in its disclosure statement that such financial statements are incorporated by reference. The issuer must also (i) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (ii) clearly explain where the incorporated documents can be found, and (iii) provide a clear cross-reference to the specific location where the information requested by this Item 12 can be found in the incorporated documents.

The issuer shall provide the following financial statements for the most recent fiscal period (whether fiscal quarter or fiscal year).

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity (for Annual Reports only);
- 5) financial notes; and
- 6) audit letter, if period ending is fiscal year

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (U.S. GAAP or IFRS, as applicable) by persons with sufficient financial skills.

Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statements are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

Additionally, if the issuer is an insurance company, the issuer shall also post its most recent "**Insurance Company Annual Regulatory Statement**" required to be filed with the Commissioner of Insurance (or other officer or agency performing a similar function) of its domiciliary state, per section 12(g)(2)(G)(i) of the Securities Exchange Act of 1934. This statement shall be posted through www.OTCIQ.com.

Report Of Independent Registered Public Accounting Firm



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Creatd, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Creatd, Inc. (the Company) as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3, the Company has recurring net losses and negative cash flow from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Our opinion is not modified with respect to that matter.

Basis for Opinion

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

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

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

A handwritten signature in black ink that reads "Astra Audit & Advisory LLC".

We have served as the Company's auditor since 2024.

PCAOB Firm ID #6920
Tampa, Florida
June 24 2025

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Creatd, Inc.
Consolidated Balance Sheets

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Assets		
Current Assets		
Cash	\$ 15,490	\$ 71,105
Accounts receivable, Net	2,000	-
Marketable securities	67,676	-
Discontinued Operation net Current Assets	-	2,150
Total Current Assets	<u>85,166</u>	<u>73,255</u>
Property and equipment, net	18,062	84,143
Intangible assets	103,550	-
Goodwill	5,415	-
Deposits and other assets	83,616	83,616
Minority investment in businesses	333,333	-
Operating lease right of use asset	1,633,207	1,923,112
Total Assets	<u><u>\$ 2,262,349</u></u>	<u><u>\$ 2,164,126</u></u>
Liabilities and Stockholders' Deficit		
Current Liabilities		
Cash overdraft		
Accounts payable and accrued liabilities	\$ 8,450,804	\$ 10,366,934
Convertible Notes, net of debt discount	1,216,158	5,535,111
Current portion of operating lease payable	547,439	532,689
Notes payable, net of debt discount	926,413	1,127,101
Deferred revenue	146,950	266,037
Derivative Liability	-	7,836,521
Stock Compensation Liability	-	449,376
Deferred offering proceeds	-	65,808
Total Current Liabilities	<u>11,287,764</u>	<u>26,179,577</u>
Non-current Liabilities:		
Notes payable, less current maturities	21,586	30,026
Operating lease payable	1,251,319	1,554,734
Total Non-current Liabilities	<u>1,272,905</u>	<u>1,584,760</u>
Total Liabilities	<u>12,560,669</u>	<u>27,764,337</u>
Commitments and contingencies		
Mezzanine Equity		
Redeemable Preferred Stock in Vocal, Inc.	84,790	-
Stockholders' Equity (Deficit)		
Series E Preferred stock, \$0.001 par value, 8,000 shares authorized; 450 and 450 shares issued and outstanding	-	-
Series F Preferred stock, \$0.001 par value, 5,500,000 shares authorized; 3,118 and 0 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	3	-
Common stock par value \$0.001: 1,500,000,000 shares authorized; 4,613,981 issued and 4,613,794 outstanding as of December 31, 2024 and 507,397 issued and 507,211 outstanding as of December 31, 2023	4,615	508
Series G Preferred stock, \$0.001 par value, 500,000 shares authorized; 2,085 and 0 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	2	-
Series H Preferred stock, \$0.001 par value, 50,000 shares authorized; 3,798 and 0 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	4	-
Vocal, Inc. Preferred stock, \$0.001 par value, 500,000 shares authorized; 185,532 and 0 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	178	-
OG Collection, Inc. Preferred stock, \$0.001 par value, 2,000,000 shares authorized; 2,000,000 and 200,000 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	200	-
Additional paid in capital	239,182,605	191,455,928
Less: Treasury stock, 186 shares	(78,456)	(78,456)
Accumulated deficit	(252,800,800)	(217,655,876)
Accumulated other comprehensive income	(297,717)	(174,143)
Total Creatd, Inc. Stockholders' Equity	<u>(13,989,366)</u>	<u>(26,452,039)</u>
Non-controlling interest in consolidated subsidiaries	<u>3,606,256</u>	<u>851,828</u>
	<u>(10,383,110)</u>	<u>(25,600,211)</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u><u>\$ 2,262,349</u></u>	<u><u>\$ 2,164,126</u></u>

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

Creatd, Inc.
Consolidated Statements of Operations and Comprehensive Loss

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Net revenue	\$ 1,498,874	\$ 1,916,453
Cost of revenue	<u>63,144</u>	<u>808,315</u>
Gross margin (loss)	<u>1,435,730</u>	<u>1,108,138</u>
Operating expenses		
Compensation	1,941,672	3,099,285
Research and development	204,043	362,013
Marketing	274,039	838,603
Stock based compensation	9,442,717	20,165,067
Impairment of intangible assets	-	13,334
General and administrative	<u>1,910,480</u>	<u>3,865,614</u>
Total operating expenses	<u>13,772,951</u>	<u>28,343,916</u>
Loss from operations	<u>(12,337,221)</u>	<u>(27,235,778)</u>
Other income (expenses)		
Other income	9,474	109,931
Interest expense	(319,155)	(884,692)
Accretion of debt discount and issuance cost	(2,120,640)	(5,671,843)
Derivative expense	-	-
Change in derivative liability	7,836,522	(4,744,187)
Settlement of vendor liabilities	3,726,317	366,587
Inducement expense	<u>(1,465,308)</u>	<u>-</u>
Other income (expenses), net	<u>7,667,210</u>	<u>(10,824,204)</u>
Loss from Continuing Operations	(4,670,011)	(38,059,982)
Loss from Discontinued Operations	<u>-</u>	<u>(934,546)</u>
Loss before income tax provision	(4,670,011)	(38,994,528)
Income tax provision	<u>-</u>	<u>-</u>
Net loss	<u>\$ (4,670,011)</u>	<u>\$ (38,994,528)</u>
Net loss Attributable to noncontrolling interest arising from:		
Continuing Operations	\$ (2,555,059)	\$ (35,435)
Net loss attributable to noncontrolling interest	\$ (2,555,059)	\$ (35,435)
Net Loss attributable to Creatd, Inc. arising from:		
Continuing Operations	\$ (2,114,952)	\$ (38,959,092)
Net loss attributable to Creatd, Inc.	<u>\$ (2,114,952)</u>	<u>\$ (38,959,092)</u>
Deemed dividend	<u>(33,017,888)</u>	<u>(32,554,410)</u>
Net loss attributable to common shareholders	<u>\$ (35,132,840)</u>	<u>\$ (71,513,502)</u>
Comprehensive loss		
Net loss	(4,670,011)	(38,994,528)
Currency translation gain (loss)	<u>\$ (123,574)</u>	<u>(33,960)</u>
Comprehensive loss	<u>\$ (4,793,585)</u>	<u>\$ (39,028,488)</u>
Per-share data		
Basic and diluted loss per share from continuing operations	\$ (13.69)	\$ (0.60)
Basic and diluted loss per share from discontinued operations	\$ -	\$ (0.01)
Basic and diluted loss per share	<u>\$ (13.69)</u>	<u>\$ (0.61)</u>
Weighted average number of common shares outstanding	<u>2,566,027</u>	<u>118,606,984</u>

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		Series F Preferred Stock		Series G Preferred Stock		Series H Preferred Stock		Stock in Subsidiaries		Common Stock		Treasury stock		Additional	Accumulated	Non-Controlling	Other Comprehensive	Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid In Capital	Deficit	Interest	Income	Equity (Deficit)
Balance, December 31 2022	450	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	78,125	\$ 78	(187)	\$ (78,456)	\$ 134,609,584	\$ (146,142,373)	\$ (751,849)	\$ (140,183)	\$ (12,503,199)
Stock based compensation	-	-	-	-	-	-	-	-	-	-	117,011	117	-	-	\$ 20,164,950	-	-	-	20,165,067
Shares issued for acquisition of non-controlling interest in consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	6,223	6	-	-	(1,389,118)	-	1,389,112	-	-
Exercise of warrants to stock	-	-	-	-	-	-	-	-	-	-	42,016	42	-	-	1,047,769	-	-	-	1,047,811
Shares issued with notes payable	-	-	-	-	-	-	-	-	-	-	19,250	19	-	-	191,787	-	-	-	191,806
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
Shares issued as consideration for note extension	-	-	-	-	-	-	-	-	-	-	60,659	61	-	-	497,189	-	-	-	497,250
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,960)	(33,960)
Sale of minority interest in OG Collection Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Fair value allocation of warrants issued with debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	265,268	-	-	-	265,268
Deemed Dividend	-	-	-	-	-	-	-	-	-	-	5,459	6	-	-	32,554,404	(32,554,410)	-	-	-
Stock Compensation Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(449,376)	-	-	-	(449,376.00)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38,959,093)	(35,435)	-	(38,994,528)
Balance, December 31, 2023	450	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	507,397	\$ 508	(187)	\$ (78,456)	\$ 191,455,928	\$ (217,655,876)	\$ 851,828	\$ (174,143)	\$ (25,600,211)

	Series E Preferred Stock		Series F Preferred Stock		Series G Preferred Stock		Series H Preferred Stock		Stock in Subsidiaries		Common Stock		Treasury stock		Additional	Accumulated	Non-Controlling	Other Comprehensive	Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid In Capital	Deficit	Interest	Income	Equity (Deficit)
Balance, January 1, 2024	450	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	507,397	\$ 508.00	(187)	\$ (78,456)	\$ 191,455,928	\$ (217,655,876)	\$ 851,828	\$ (174,143)	\$ (25,600,211)
Cash received for common stock	-	-	-	-	-	-	-	-	-	-	177,646	178	-	-	221,422	-	-	-	221,600
Cash received for preferred stock	-	-	-	-	284	-	-	-	-	-	-	-	-	-	210,000	-	-	-	210,000
Common stock issued for financing fees	-	-	-	-	-	-	-	-	-	-	33,021	33	-	-	78,223	-	-	-	78,256
Common stock issued upon conversion of notes payable	-	-	-	-	-	-	-	-	-	-	1,299,332	1,299	-	-	1,375,951	-	-	-	1,377,250
Deemed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,017,888	(33,017,888)	-	-	-
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(123,574)	(123,574)
Preferred stock issued upon conversion of notes payable	-	-	7,863	8	692	1	-	-	-	-	-	-	-	-	3,589,002	-	-	-	3,589,011
Shares issued for acquisition of consolidated subsidiary	-	-	-	-	-	-	-	-	-	-	35,000	35	-	-	108,965	-	-	-	109,000
Shares issued for acquisition of marketable securities	-	-	-	-	-	-	-	-	-	-	78,078	78	-	-	67,563	-	-	-	67,641
Shares issued for acquisition of minority interest	-	-	-	-	-	-	-	-	-	-	333,333	333	-	-	333,000	-	-	-	333,333
Shares issued for conversion of preferred to common	-	-	(4,745)	(5)	-	-	-	-	-	-	949,000	949	-	-	(944)	-	-	-	-
Shares issued for rounding in reverse stock split	-	-	-	-	-	-	-	-	-	-	3,554	4	-	-	12,080	(12,084)	-	-	-
Shares issued for settlement of accounts payable	-	-	-	-	975	1	3,798	4	-	-	808,110	808	-	-	4,224,269	-	-	-	4,225,082
Stock based compensation in consolidated subsidiaries	-	-	-	-	-	-	-	-	378	378	-	-	-	-	-	-	5,309,487	-	5,309,865
Stock based compensation in Creatd, Inc.	-	-	-	-	134	-	-	-	-	-	389,510	390	-	-	4,132,462	-	-	-	4,132,852
Fair value allocation of warrants issued with debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	356,796	-	-	-	356,796
Net loss for the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,114,952)	(2,555,059)	-	(4,670,011)
Balance, December 31, 2024	450	\$ -	3,118	\$ 3	2,085	\$ 2	3,798	\$ 4	377,937	\$ 378	4,613,981	\$ 4,615	(187)	\$ (78,456)	239,182,605	\$ (252,800,800)	\$ 3,606,256	\$ (297,717)	\$ (10,383,110)

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

Creatd, Inc.
Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(4,670,011)	(38,994,528)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	66,081	146,938
Impairment of intangible assets	-	13,334
Accretion of debt discount and issuance cost	2,120,640	5,671,843
Stock-based compensation	9,442,717	20,165,067
Amortization of right of use asset	121,655	131,153
Settlement of vendor liabilities	(3,726,317)	366,587
Change in fair value of derivative liability	(7,836,522)	4,744,187
Credit losses	-	22,540
Non-controlling interest in consolidated subsidiary	2,555,059	(35,435)
Net cash used in Discontinued Operations	-	(1,069,380)
CHANGE IN OPERATING ASSETS AND LIABILITIES		
Accounts receivable	2,000	152,571
Deposits and other assets	-	711,014
Prepaid expenses	-	87,866
Inventory	-	30,125
Accounts payable and accrued expenses	1,916,129	4,933,535
Deferred revenue	(119,087)	(8,980)
Operating lease liability	(303,415)	(317,103)
Net Cash Used In Operating Activities	(431,071)	(3,248,666)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property and equipment	-	(18,537)
Cash received from sale of interest in OGC	-	250,000
Net Cash Provided by Investing Activities	-	231,463
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercise of warrant	-	1,047,811
Net proceeds from issuance of notes payable	430,730	1,352,447
Repayment of notes payable	(339,277)	(2,129,524)
Proceeds from issuance of convertible notes	300,000	2,752,100
Repayment of convertible notes	(326,173)	(2,185,226)
Proceeds from issuance of common stock	221,600	1,727,143
Proceeds from issuance of preferred stock (Creatd)	210,000	-
Proceeds from issuance of preferred stock (Vocal)	-	65,804
Net financing cash flows from discontinued operations	-	(212,361)
Net Cash Provided by Financing Activities	496,880	2,418,194
Effect of exchange rate changes on cash	(123,574)	(33,960)
Net Change in Cash	(57,765)	(632,969)
Cash - Beginning of period	73,255	706,224
Cash - End of period	\$ 15,490	\$ 73,255
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash Paid During the Year for:		
Income taxes	\$ -	\$ -
Interest	\$ 61,829	\$ -
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Warrants issued with debt	\$ 356,796	\$ 265,268
Shares issued with debt	\$ 78,256	\$ 283,407
Stock paid for acquisitions	\$ 109,000	\$ -
Stock paid for marketable securities	\$ 67,641	\$ -
Stock paid for minority investments	\$ 333,333	\$ -
Common stock and warrants issued upon conversion of notes payable	\$ 1,377,250	\$ 1,989,863

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

Creatd, Inc.
December 31, 2024 and 2023
Notes to the Consolidated Financial Statements

Note 1 – Organization and Operations

Creatd, Inc., formerly Jerrick Media Holdings, Inc. (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. (“GTPH”) 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 June 26, 2017, the Company filed to form Abacus Pty Ltd, an Australian-based entity, as a wholly-owned subsidiary of the Company.

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 its 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.

On July 20, 2021, the Company acquired 44% of the membership interests of WHE Agency, Inc (“WHE”). WHE is a talent management and public relations agency based in New York. WHE has been consolidated due to the Company’s ownership of 55% voting control.

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 September 16, 2021, the Company filed a Certificate of Incorporation with the State of Delaware to form OG Gallery, Inc, a wholly owned subsidiary of the Company.

On October 3, 2021, the Company acquired an additional 29% of the membership interests of Dune, Inc., bringing its total membership interests to 50%. Dune, Inc., has been consolidated due to the Company’s ownership of 50% voting control.

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 consolidated statements of operations and comprehensive loss.

On April 24, 2022, the Company filed a certificate of amendment with the Secretary of State of the State of Delaware to change the name of OG Gallery, Inc. to “OG Collection, Inc.”

On August 1, 2022, the Company acquired 51% of the membership interests of Orbit Media LLC (“Orbit”), 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 consolidated statements of operations and comprehensive loss.

On September 13, 2022, the Company acquired 100% of the membership interests of Brave Foods, LLC (“Brave”), a Maine limited liability company. Brave is a plant-based food company that provides convenient and healthy breakfast food products. Brave 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 consolidated statements of operations and comprehensive loss.

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 its total ownership to 95%.

On January 11, 2023, the Company filed a membership agreement to form CEOBLOC, LLC a wholly owned subsidiary of the Company.

On January 25, 2023, the Company acquired an additional 24.3% equity interest in Dune, Inc. bringing its total ownership to 75%.

On February 1, 2023, an investor entered into a Subscription Agreement whereby it purchased from OG Collection, Inc., (a subsidiary, “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 its total membership interests to 56%.

On February 7, 2023, the Company acquired an additional 11% equity interest in Dune, Inc. bringing its total ownership to 85%.

On May 30, 2023, the Company acquired an additional 11% equity interest in Dune, Inc. bringing its total ownership to 96%.

On June 30, 2023, the Company acquired an additional 10% of the membership interests of Plant Camp, LLC, bringing its total ownership to 100%.

On July 28, 2023, the Company acquired an additional 17.5% of the membership interests of Orbit Media, LLC, bringing its total membership interests to 74%.

On July 31, 2023, the Company filed a Certificate of Incorporation with the state of Nevada to form Vocal, Inc., a wholly owned subsidiary. Vocal's assets, which had been developed directly under the Company since 2016, were reorganized into this new entity. This restructuring marked a significant step in the growth and evolution of Vocal, which began as part of the Company's business strategy to create a digital publishing platform supporting creators.

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 a 17.5% 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 July 17, 2024, Creatd entered into a strategic securities swap agreement with Hollywall Entertainment, Inc. Under this agreement, Creatd issued 16,578 shares of its common stock (CRTD) to Hollywall, while Hollywall issued 726,769 shares of its common stock (HWAL) to Creatd. This swap represents a minimum of 0.5% equity in each company, with the agreement forming part of a broader commitment towards potential expanded collaboration, subject to further due diligence.

On July 26, 2024, Creatd acquired 100% of the membership interests in S96 NYC, LLC (Studio 96 Publishing) from Ayelet Abitbul, an employee of the Company. The terms of the acquisition involved Creatd issuing 35,000 shares of common stock at a cost basis of \$1.20 per share and 65,000 warrants with an exercise price of \$1.20.

On August 1, 2024, Vocal, Inc. granted 48.72% of its membership interests, in the form of shares of Preferred Stock to officers, board members, employees, and consultants ("Key Drivers") involved with operations of Vocal.

On August 1, 2024, OG Collection, Inc. granted 46% of its membership interests, in the form of shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On August 9, 2024, the OG Collection, Inc. amended its Articles of Incorporation, increasing its authorized shares from 2,000,000, all of which was Common Stock, to 1,050,000,000, of which 1,000,000,000 shares became Common Stock and 50,000,000 shares became Preferred Stock.

On August 9, 2024, Vocal, Inc. granted an additional 3.01% of its membership interests, in the form of shares of Preferred Stock, to Key Drivers involved with operations of Vocal.

On August 12, 2024, OG Collection, Inc. granted an additional 1.5% of its membership interests, in the form of shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On August 20, 2024, the Company acquired 0.5% of equity in Geopulse Explorations, Inc. a holding company focused on owning and developing technologies in the cannabis industry. As consideration for this acquisition, Geopulse Explorations received 21,675 shares of the Company's common stock.

On October 21, 2024, Vocal, Inc. granted an additional 8.26% of its membership interests, in the form of shares of Preferred Stock, to Key Drivers involved with operations of Vocal.

On November 11, 2024, the Company acquired 5% of equity in THEPOWERHOUSE, LLC, the parent company of thehouseofarts.com and several influential ventures spanning art, fashion, and design. As consideration for this acquisition, THEPOWERHOUSE, LLC received 333,333 shares of the Company's common stock.

On November 26, 2024, the Company acquired 1% of equity in Enzyloitics, Inc. a biotechnology company focused on developing in the pharmaceutical industry. As consideration for this acquisition, Enzyloitics received 39,824 shares of the Company's common stock.

On November 27, 2024, the Company rescinded 1.5% of its membership interests in OG Collection, Inc. and 1.70% of its membership interests in Vocal, Inc. previously issued to a board member after their resignation.

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 ("U.S. GAAP").

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 consolidated 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 consolidated 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, 2024 and 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	
		December 31, 2024	December 31, 2023
Jerrick Ventures LLC	Delaware	100%	100%
Abacus Tech Pty Ltd	Australia	100%	100%
CEOBloc, LLC	Delaware	100%	100%
OG Collection, Inc.	Delaware	41.50%	89%
Vocal, Inc.	Nevada	41.80%	100%
S96 NYC, LLC	New York	100%	-%

All other previously consolidated subsidiaries have been dissolved or sold.

All intercompany balances and transactions have been eliminated.

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 Company assumptions in determining the fair value of investments)

The Company's Level 1 assets/liabilities include cash, accounts receivable, accounts payable, 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, 2024 and 2023 approximate their carrying value as reflected in the consolidated 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, marketable debt securities, 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.

Other accounting policies

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 became effective for fiscal years beginning after December 15, 2021. During the years ended December 31, 2024 and 2023, the Company recognized a deemed dividend of \$30,946,827 and \$32,554,410 from the modification of warrants, respectively.

In June 2016, the FASB issued Accounting Standards Update (“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 adoption of the guidance did not have a material impact on the Company’s consolidated financial statements.

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. The adoption of the guidance did not have a material impact on the Company’s consolidated financial statements.

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. There was no material impact on the Company’s consolidated financial statements upon the adoption of this ASU.

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, 2024**

	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	\$ 67,676	\$ 67,676	\$ -	\$ -
Total assets	\$ 67,676	\$ 67,676	\$ -	\$ -
Liabilities:				
Stock Compensation Liability	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
Total assets	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Stock Compensation Liability	\$ 449,376	\$ -	\$ -	\$ 449,376
Derivative liabilities	7,836,521	-	-	7,836,521
Total Liabilities	\$ 8,285,897	\$ -	\$ -	\$ 8,285,897

Our marketable equity securities are publicly traded stocks measured at fair value using quoted prices for identical assets in active markets and classified as Level 1 within the fair value hierarchy. Marketable equity securities as of December 31, 2024 and 2023 are \$67,676 and \$0 respectively.

Details on the changes in the derivative liabilities during the years ended December 31, 2024 and 2023 can be found in Note 8.

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, 2024**

	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:				
Intangible assets	\$ 103,550	\$ -	\$ -	\$ 103,550
Goodwill	5,415	-	-	5,415
Total assets	\$ 108,965	\$ -	\$ -	\$ 108,965

**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:				
Intangible assets	\$ -	\$ -	\$ -	\$ -
Goodwill	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -

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, 2024, was \$0. 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 \$0. 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)
	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 and comprehensive loss.

Goodwill

Goodwill is not amortized but is subject to periodic testing for impairment in accordance with Accounting Standards Codification (“ASC”) and 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, 2024, the goodwill of the Company increased to from \$0 to \$5,415 due to the acquisition of S96 NYC, LLC (Studio 96 Publishing). During the years ended December 31, 2024 and 2023, the Company recorded an impairment charge of \$0 for both years.

Impairment of Long-lived Assets Including Acquired Intangible Assets

The Company evaluates 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 years ended December 31, 2024 and 2023, the Company recorded an impairment charge of \$0 and \$13,334, respectively, on intangible assets.

Acquired finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. The Company routinely reviews the remaining estimated useful lives of property and equipment and finite-lived intangible assets. If the Company changes the estimated useful life assumption for any asset, the remaining unamortized balance is amortized or depreciated over the revised estimated useful life.

Commitments and Contingencies

The Company follows subtopic 450-20 of the Financial Accounting Standards Board (“FASB”) 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 the 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' deficit in accumulated other comprehensive loss. 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 ASC. 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 statements of operations and comprehensive loss as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the date of conversion or exercise or cancellation and then the related fair value is reclassified to equity. Upon extinguishment or cancellation of a derivative instrument, any difference between the fair value and the settlement amount is recognized as a gain or loss under change in derivative liability on the statement of operations.

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 consolidated balance sheets as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the consolidated balance sheet dates.

The Company adopted Section 815-40-15 of the FASB ASC ("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 in the Company's outstanding Equity Line of Credit 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 consolidated 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 and comprehensive loss.

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

The Company determines 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, the Company satisfies a performance obligation.

Revenue disaggregated by revenue source for the years ended December 31, 2024 and 2023 consists of the following:

	Year Ended December 31,	
	2024	2023
Agency (Managed Services & Branded Content)	\$ 714,548	\$ 759,348
Platform (Creator Subscriptions)	736,567	1,123,242
Other Revenue	47,759	33,863
	<u>\$ 1,498,874</u>	<u>\$ 1,916,453</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 years ended December 31, 2024 and 2023 consists of the following:

	Year Ended December 31,	
	2024	2023
Products and services transferred over time	\$ 1,451,151	\$ 1,882,590
Products transferred at a point in time	47,723	33,863
	<u>\$ 1,498,874</u>	<u>\$ 1,916,453</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.

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. Any discounts are run as coupon codes applied at the time of transaction and accounted for as a reduction in gross revenue.

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.

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, 2024 and 2023, the Company had deferred revenue of \$146,951 and \$266,037, 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, the Company bills a branded content client and records the receivable once milestones are reached that are set in the agreement. The Company makes estimates for the allowance for doubtful accounts and allowance for unbilled receivables based upon its assessment of various factors, including historical experience, the age of the accounts receivable balances, credit quality of its customers, current economic conditions, and other factors that may affect its ability to collect from customers.

Effective January 1, 2023, the Company adopted the provisions of ASC 326, *Financial Instruments – Credit Losses*, which requires the measurement of credit losses based on an expected loss model, known as the Current Expected Credit Losses (CECL) model. The CECL model replaces the incurred loss methodology and requires the Company to estimate credit losses over the life of its receivables, considering historical data, current conditions, and reasonable and supportable forecasts.

During the years ended December 31, 2024 and 2023, the Company recorded \$0 and \$22,540, respectively as a credit loss.

Stock-Based Compensation

The Company recognizes compensation expense for all equity-based payments granted in accordance with 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, 2024 and 2023, 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, 2024 and 2023:

	December 31,	
	2024	2023
Series E preferred	450	450
Series F preferred	623,600	-
Series G preferred	1,563,750	-
Series H preferred	1,477,821	-
Options	2,073,568	144,827
Warrants	26,206,856	1,972,602
Convertible notes	296,161	452,775
Totals	<u>32,242,206</u>	<u>2,570,654</u>

Recently Adopted Accounting Guidance

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the Chief Operating Decision Maker (“CODM”) and included within each reported measure of segment profit or loss. The update also requires disclosure regarding the CODM and expands the interim segment disclosure requirements. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-07 did not have a material impact on the Company’s consolidated financial statements.

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, 2023, including interim periods within that fiscal year. The adoption of the guidance did not have a material impact on the Company’s consolidated financial statements.

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.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09 – *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances income tax disclosure requirements by:

- Standardizing and disaggregating rate reconciliation categories.
- Requiring disclosure of income taxes paid by jurisdiction.

This ASU is effective for annual periods beginning after December 15, 2024, and may be applied on a prospective or retrospective basis. Early adoption is permitted.

The Company is currently assessing the impact of ASU 2023-09 on its income tax disclosures and reporting requirements.

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, 2024 the Company had an accumulated deficit of \$252.8 million, a net loss of \$4.7 million and net cash used in operating activities of approximately \$431,000 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 consolidated 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 – Property and Equipment

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

	December 31, 2024	December 31, 2023
Computer Equipment	\$ 466,397	\$ 466,397
Furniture and Fixtures	184,524	184,524
Leasehold Improvements	47,616	47,616
	<u>698,537</u>	<u>698,537</u>
Less: Accumulated Depreciation	<u>(680,475)</u>	<u>(614,394)</u>
	<u>\$ 18,062</u>	<u>\$ 84,143</u>

Depreciation expense was \$66,081 and \$146,938 for the years ended December 31, 2024 and 2023, respectively.

Note 5 – Notes Payable

Notes payable as of December 31, 2024 and December 31, 2023 is as follows:

		Outstanding Principal as of December 31, 2024	Outstanding Principal as of December 31, 2023	Interest Rate	Maturity Date
The April 2020 PPP Loan Agreement	* \$	198,577	\$ 198,577	5 %	April 2022
The Second September 2022 Loan Agreement	*	408,625	453,625	-	December 2023
The Third September 2022 Loan Agreement		—	2,964	-	October 2023
The April 20 2023 Loan Agreement		41,213	41,213	18	April 2023
The June 30 2023 Loan Agreement		—	2,500	-	September 2023
The July 11 2023 Loan Agreement		—	276,429	10	July 2024
The July 31 2023 Loan Agreement		—	253,409	12	April 2024
The August 2023 Loan Agreement		—	38,997	-	February 2025
The September 27 2023 Loan Agreement		—	34,500	15	June 2024
The September 28 2023 Loan Agreement		—	112,274	15	June 2024
The April 5, 2024 Loan Agreement		56,250	—	15	February 2025
The May 3, 2024 Loan Agreement		48,489	—	-	May 2025
The May 31, 2024 Loan Agreement		57,000	—	15	May 2025
The August 20, 2024 Loan Agreement		14,645	—	-	February 2025
The October 18, 2024 Loan Agreement		21,586	—	-	April 2026
The December 30, 2024 Loan Agreement		117,615	—	20	March 2025
		964,000	1,414,488		
Less: Debt Discount		(16,000)	(257,361)		
Total Debt		948,000	1,157,127		
Less: Current Debt		(926,414)	(1,127,101)		
Total Long Term Debt	\$	21,586	\$ 30,026		

* Note was in default as of December 31, 2024

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 each of the years ended December 31, 2024 and 2023, the Company recorded \$9,929 in interest.

As of December 31, 2024, 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.

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 “First 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 was 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.

During the year ended December 31, 2024, the Company paid \$45,000 towards this note.

The Company recorded a \$300,000 debt discount relating to an original issue discount. The debt discount was amortized over the life of the note to accretion of debt discount and issuance cost. During the year ended December 31, 2023, the Company amortized \$178,694 of the discount. As of December 31, 2023, this debt discount has been fully amortized.

As of December 31, 2024, the Loan is in default.

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. During the year ended December 31, 2023, the Company amortized \$61,358 of the discount. The debt discount is fully amortized as of December 31, 2023.

During the year ended December 31, 2024, the Company paid the remaining principal balance of this note.

The April 20 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 was 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 were due.

In May 2024, the April 2023 Lender agreed to extend the maturity date of the April 2023 Note until December 28, 2024 in exchange for warrants to purchase 75,560 shares of the Company’s common stock at an exercise price of \$1.75, together valued at \$177,560.

The May 2024 modification of the note was accounted for as a debt modification under ASC 470-50, with no gain or loss recognized and the carrying amount of the note unchanged. The fair value of the warrants issued (\$177,560) was recorded as an additional debt discount. The full amount of this debt discount was amortized during the year ended December 31, 2024.

On December 30, 2024, the Lender agreed to extend the maturity date of the April 2023 Note until March 31, 2025.

During the years ended December 31, 2024 and 2023, the Company recorded \$7,521 and \$7,477 in interest, respectively.

This note was outstanding as of December 31, 2024.

The June 30 2023 Loan Agreement

On June 30, 2023, the Company entered into a loan agreement (the “June 30 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”).

The note included a \$2,000 debt discount, which was amortized over the life of the note and fully amortized during the year ended December 31, 2023.

On March 14, 2024, the June 2023 Lender converted \$2,500 of outstanding debt and an additional \$2,000 penalty into 1,287 shares of common stock, recognizing a loss on settlement of debt of \$400.

The July 11, 2023 Loan Agreement

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

The Company recorded a \$60,000 debt discount relating to an original issue discount. 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 was due and payable in seven equal monthly payments (each, a “Monthly Payment”) of \$47,142, 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”). The Company also recorded an additional debt discount of \$204,557 related to derivative liability treatment, which was fully amortized over the life of the note. As of December 31, 2024, the debt discount has been fully amortized with amortization of \$132,279 in each of the years ended December 31, 2024 and 2023.

In the twelve months ended 2024, the Company paid back \$165,000 against this note in cash.

During the year ended December 31, 2024, the Lender converted an aggregate of \$217,100 of outstanding debt into 497,186 shares of the Company’s common stock, resulting in a total loss on settlement of debt of \$123,209.

The Company incurred \$29,762 and \$14,219 in interest during the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024, there was no outstanding balance on this note.

The July 31 2023 Loan Agreement

On July 31, 2023, the Company entered into a loan agreement (the “July 31 2023 Loan Agreement”) with a lender (the “July 31 2023 Lender”), whereby the July 31 2023 Lender issued the Company a promissory note of \$261,250 (the “July 31 2023 Note”). The maturity date of the July 31 2023 Note was April 30, 2024 (the “July 31 2023 Maturity Date”).

The Company recorded a \$52,250 debt discount relating to an original issue discount and debt issuance costs of \$9,000, and a \$140,581 debt discount relating to the issuance of warrants with the note. An additional \$28,000 debt discount was recognized in the year ended December 2024, and these discounts and issuance costs were accreted over the life of the note with amortization of \$144,111 and \$76,720 during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 the discounts had been fully amortized.

The Company also accrued interest at the rate of 10% per annum on the outstanding balance of the note. The Principal Amount and the Guaranteed Interest were due and payable in six equal monthly payments (each, a “Monthly Payment”) of \$45,416, 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”).

On July 10, 2024, the Lender converted the remaining \$285,018 of outstanding debt and interest into 275,000 shares of the Company’s common stock and recognized a \$93,508 loss on settlement of debt.

During the twelve months ended December 31, 2024 and 2023, the Company recorded \$13,105 and \$ 14,687 in interest, respectively.

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.

As of December 31, 2023, the Company paid \$98,451 against this note. In the six months ended June 30, 2024, the Company paid \$43,222 against principal and interest on this note, repaying this note in full.

The Company recorded \$12,948 of debt discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. During the years ended December 31, 2024 and 2023, the Company amortized \$4,385 and \$8,563 of the discount, respectively. As of December 31, 2024, this debt discount has been fully amortized.

The September 27 2023 Loan Agreement

On September 27, 2023, the Company entered into a loan agreement (the “September 27 2023 Loan Agreement”) with a lender (the “September 27 2023 Lender”), whereby the First September 2023 Lender issued the Company a promissory note of \$51,750 (the “September 27 2023 Note”). The maturity date of the First September 2023 Note was June 30, 2024 (the “September 27 2023 Maturity Date”). The Company accrued interest at the rate of 15% per annum on the outstanding balance of the note.

The Company recorded a \$6,750 debt discount relating to an original issue discount and debt issuance costs of \$5,000. During the years ended December 31, 2024 and 2023, the Company amortized \$4,431 and \$7,319 of the discount, respectively. As of December 31, 2024, this debt discount has been fully amortized.

On July 23, 2024, the Lender converted the outstanding debt on this note and the Convertible Note April 2023 Loan Agreement into a combined 171,039 shares of the Company's common stock, and received an additional 10,461 shares of common stock as consideration.

During the years ended December 31, 2024 and 2023, the Company recorded \$1,775 and \$2,587 in interest, respectively.

The September 28 2023 Loan Agreement

On September 28, 2023, the Company entered into a secured loan agreement (the "September 28 2023 Loan Agreement") with a lender (the "September 28 2023 Lender"), whereby the September 28 2023 Lender issued the Company a secured promissory note of \$166,905 AUD or \$107,221 United States Dollars. This note had an effective interest rate of 15%. The maturity date of the September 28 2023 Note was June 30, 2024 at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First September 2023 Loan Agreement was 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 year ended December 31, 2024, the Company repaid the remaining balance against the note.

During the years ended December 31, 2024 and 2023, the Company recorded \$13,587 and \$4,430 in interest, respectively.

The January 26 Loan Agreement

On January 26, 2024, the Company entered into a promissory note agreement (the "January 26 Loan Agreement") with Jeremy Frommer, whereby Frommer issued the Company a promissory note in the principal amount of \$15,000 (the "January 26 Note"). The maturity date of the January 26 Note was February 9, 2024. As additional consideration for entering into the January 26 Loan Agreement, the Company issued 9,000 warrants to purchase shares of the Company's common stock.

The Company repaid \$15,000 in principal on February 1, 2024, and the note was fully repaid as of that date.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$5,660 to the debt instrument (38%) and \$9,340 to the warrants (62%).

The Company recorded \$9,340 of debt discount over the life of the note. As of December 31, 2024, this debt discount has been fully amortized.

The January 30 Loan Agreement

On January 30, 2024, the Company entered into a promissory note agreement (the "January 30 Loan Agreement") with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$12,000 (the "January 30 Note"). The maturity date of the January 30 Note was February 13, 2024. As additional consideration for entering in the January 30 Loan Agreement, the Company issued 7,200 warrants of the Company's common stock. The Company repaid \$12,000 in principal on February 1, 2024 and the note was fully repaid as of that date.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$5,623 to the debt instrument (47%) and \$6,377 to the warrants (53%).

The Company recorded \$6,377 of debt discount over the life of the note. As of December 31, 2024, this debt discount has been fully amortized.

The February 1, 2024 Loan Agreement

On February 1, 2024, the Company entered into a promissory note agreement (the "February 1, 2024 Loan Agreement") with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$20,000 (the

“February 1 Note”). As additional consideration for entering in the February 1, 2024 Loan Agreement, the Company issued 12,000 warrants of the Company’s common stock. The original maturity date of the February 1 Note was February 14, 2024.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$9,756 to the debt instrument (49%) and \$10,244 to the warrants (51%).

On February 12, 2024, the Company and Frommer executed an agreement amending the payment terms to an effective interest rate of 20% per annum accruing on the date of the amendment and extending the maturity date to April 29, 2024.

On May 6, 2024, the Company and Frommer executed an agreement extending the maturity date to December 28, 2024. In exchange, Frommer received 20,859 warrants with an exercise price of \$1.75. During the twelve months ended December 31, 2024, the Company repaid in full the balance of this loan and interest of \$4,974.

The Company recorded a \$10,769 debt discount relating to an original issue discount and debt issuance costs of \$6,377, which was amortized over the life of the note. As of December 31, 2024, this debt discount has been fully amortized.

The February 5 Loan Agreement

On February 5, 2024, the Company entered into a promissory note agreement (the “February 5 Loan Agreement”) with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$5,000 (the “February 5 Note”). The maturity date of the February 5 Note was February 26, 2024. As additional consideration for entering in the February 5 Loan Agreement, the Company issued 3,000 warrants of the Company’s common stock. The Company repaid \$5,000 in principal on March 26, 2024. The note did not accrue interest.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$1,990 to the debt instrument (40%) and \$3,010 to the warrants (60%).

The Company recorded \$3,010 of debt discount over the life of the note. As of December 31, 2024, this debt discount has been fully amortized.

February 12 Loan Agreement

On February 12, 2024, the Company entered into a promissory note agreement (the “February 12 Loan Agreement”) with a lender (the “February 12 Lender”), whereby the February 12 Lender issued the Company a promissory note of \$50,000. The effective interest rate of the February 12 Note is 5% per annum. The original maturity date of the February 12 Note was March 13, 2024.

On April 10, 2024, the Company and the February 12 Lender executed an agreement extending the maturity date to September 1, 2024. In exchange, February 12 Lender received 100,000 warrants with an exercise price of \$4.00. The April amendment was accounted for as a debt modification in accordance with ASC 470-50. The fair value of the warrants issued in connection with this extension, totaling \$265,000, was recorded as a debt discount and fully amortized to accretion of debt discount and issuance cost during the year ended December 31, 2024.

On July 19, 2024, the Company and the February 12 Lender executed an agreement extending the maturity date from September 1, 2024 to December 28, 2024.

On September 3, the February 12 Lender converted the remaining balance of the note to shares of Series G Preferred stock.

During the year ended December 31, 2024, the Company recorded \$1,397 in interest.

The February 22 Loan Agreement

On February 22, 2024, the Company entered into a promissory note agreement (the “February 22 Loan Agreement”) with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$42,500 (the “February 22 Note”). The original maturity date of the February 22 Note was April 22, 2024. As additional consideration for entering in the February 22 Loan Agreement, the Company issued 25,500 warrants of the Company’s common stock.

The Company recorded a \$22,885 debt discount relating to an original issue discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$9,239 to the debt instrument (22%) and \$33,261 to the warrants (78%). As of December 31, 2024, this debt discount has been fully amortized.

On April 20, 2024, the Company and Frommer executed an agreement amending the payment terms to an effective interest rate of 20% per annum accruing on the date of the amendment and extending the maturity date to April 28, 2024.

On May 6, 2024, the Company and Frommer executed an agreement extending the maturity date of this note and 2 other outstanding notes to December 28, 2024. In exchange for all three extensions, Frommer received 206,537 warrants with an exercise price of \$1.75 and a fair value of \$521,461, of which \$161,653 was allocated to this note. The amendment was accounted for as a debt modification in accordance with ASC 470-50. The fair value of the warrants issued in connection with this extension, totaling \$217,799, was recorded as a debt discount and fully amortized to interest expense during the year ended December 31, 2024.

On December 30, 2024, the Lender restructured the note with the Company into a new note (see *The December 30 2024 Loan Agreement*). The balance of the note at the time of restructuring was \$22,622.

The Company recognized \$599 as a gain on extinguishment of debt.

During the year ended December 31, 2024, this note recorded interest of \$6,746.

The March 26 Loan Agreement

On March 26, 2024, the Company entered into a promissory note agreement (the “March 26 Loan Agreement”) with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$50,000 (the “March 26 Note”). The original maturity date of the March 26 Note was April 26, 2024. As additional consideration for entering in the March 26 Loan Agreement, the Company issued 30,000 warrants of the Company’s common stock.

The Company recorded a \$26,923 debt discount relating to an original issue discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$13,000 to the debt instrument (26%) and \$37,000 to the warrants (74%). As of December 31, 2024, this debt discount has been fully amortized.

On April 22, 2024, the Company and Frommer executed an agreement amending the payment terms to a default interest rate of 20% per annum and extending the maturity date to May 6, 2024.

On May 6, 2024, the Company and Frommer executed an agreement extending the maturity date of this note and 2 other outstanding notes to December 28, 2024. In exchange for all three extensions, Frommer received 206,537 warrants with an exercise price of \$1.75 and a fair value of \$521,461, of which \$312,876 was allocated to this note. The amendment was accounted for as a debt modification in accordance with ASC 470-50. The fair value of the warrants issued in connection with this extension, was recorded as a debt discount and fully amortized to interest expense during the year ended December 31, 2024.

The Company recognized \$309 as a loss on extinguishment of debt.

On December 30, 2024, the Lender restructured the note with the company into a new note and completed this note (see The December 30 2024 Loan Agreement). The balance of the note at the time of restructuring was \$86,992, including interest.

During the year ended December 31, 2024, this note recorded interest of \$11,760.

The April 5th, 2024 Loan Agreement

On April 5, 2024, the Company entered into a promissory note agreement (the “April 5 Loan Agreement”) with a lender (“April 5 lender”), whereby the April 5 lender issued the Company a promissory note of \$56,250 (the “April 5 Note”). The original maturity date of the April 5 Note is February 15, 2025. This note has a flat interest fee of 15%.

The Company recorded a \$11,250 debt discount relating to an original issue discount and debt issuance costs of \$5,000. The debt discount is being accreted over the life of the note. The debt discount is \$2,366 as of December 31, 2024.

On December 4, 2024, the Lender agreed to extend the note’s maturity date to March 31, 2025.

During the year ended December 31, 2024, this note recorded interest of \$7,209. This note was outstanding as of December 31, 2024.

The May 3rd, 2024 Loan Agreement

On May 3, 2024, the Company entered into a promissory note agreement (the “May 3 Loan Agreement”) with a lender (“May 3 lender”), whereby the May 3 lender issued the Company a convertible promissory note of \$60,000 (the “May 3rd Note”). This note does not accrue interest. The May 3 Note has a maturity date of May 3, 2025.

The Company recorded a \$24,600 debt discount relating to an original issue discount and debt issuance costs of \$2,400. The debt discount is being accreted over the life of the note. The debt discount is \$9,099 as of December 31, 2024.

During the year ending December 31, 2024, the Company paid \$38,511 in principal towards this note.

As of December 31, 2024, this note remains outstanding.

The May 6th Loan Agreement

On May 6, 2024, the Company entered into a promissory note agreement (the “May 6 Loan Agreement”) with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$7,000 (the “May 6 Note”). As additional consideration for entering in the May 6 Loan Agreement, the Company issued 12,000 warrants of the Company’s common stock. The original maturity date of the May 6 Note was May 7, 2024. This note has a flat interest fee of \$500.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$1,471 to the debt instrument (21%) and \$5,529 to the warrants (79%). The Company recorded a \$5,529 debt discount relating to the warrants, which was amortized over the life of the note to accretion of debt discount and issuance cost. As of December 31, 2024, this debt discount has been fully amortized.

The Company recognized \$500 as a gain on extinguishment of debt upon the repayment of this note related to the forgiveness of the \$500 interest fee.

The May 28 Loan Agreement

On May 28, 2024, the Company entered into a loan agreement (the “May 28 Loan Agreement”) with a lender (the “May 28 Lender”), whereby the May 28 Lender issued the Company a promissory note of \$65,944 (the “May 28 Note”). The maturity date of the May 28 Note is November 26, 2025 (the “Maturity Date”). The Company is required to make a minimum payment every 60 days of \$7,327. This note did not accrue interest. This note had an original issue discount of \$9,144.

The Company recorded \$9,144 of debt discount over the life of the note. As of December 31, 2024, this debt discount has been fully amortized.

During the year ended December 31, 2024, the Company repaid \$65,944 towards the balance of this note and \$39,678 in interest.

The May 31, 2024 Loan Agreement

On May 31, 2024, the Company entered into a promissory note agreement (the “May 31 Loan Agreement”) with a lender (the “May 31 Lender”) whereby the May 31 Lender issued the Company a promissory note in the amount of \$60,000. The Maturity Date of the note is May 31, 2025. The Company recorded debt issuance costs of \$1,800 for an original issue discount. The principal of the note shall be due and payable in full on the Maturity Date.

This note has a flat interest fee of 15%. During the year ended December 31, 2024, this note accrued interest of \$5,101.

The Company recorded debt issuance costs of \$1,800. The debt discount is being accreted over the life of the note. The debt discount is \$745 as of December 31, 2024.

During the year ended December 31, 2024, the Company repaid \$3,000 towards the balance of this note. As of December 31, 2024, the note remains outstanding.

The June 13th Loan Agreement

On June 13, 2024, the Company entered into a promissory note agreement (the “June 13 Loan Agreement”) with Jeremy Frommer, whereby Frommer issued the Company a promissory note of \$7,500 (the “June 13 Note”). As additional consideration for entering in the June 13 Loan Agreement, the Company issued 12,787 warrants of the Company’s common stock. The original maturity date of the June 13 Note was July 13, 2024. This note has a flat interest fee of \$500.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$2,118 to the debt instrument (28%) and \$5,382 to the warrants (72%).

On September 20, 2024, the Company and Frommer executed an agreement extending the maturity date of this note to December 28, 2024 for no additional consideration. The amendment was accounted for as a debt modification in accordance with ASC 470-50.

On December 30, 2024, the Lender restructured the note with the company into the December 30, 2024 Loan Agreement and completed this note (see *The December 30 2024 Loan Agreement*). The balance of the note at the time of restructuring was \$8,000 including interest. The Company recognized \$700 as a loss on extinguishment of debt related to the payment of \$1,200 in interest, which exceeded the amount of interest accrued by \$700. The Company recorded \$5,382 of debt discount over the life of the note. As of December 31, 2024, this debt discount has been fully amortized.

During the year ended December 31, 2024, this note recorded interest of \$500.

The August 20th, 2024 Loan Agreement

On August 20, 2024, the Company entered into a loan agreement (the “August 20 Loan Agreement”) with a lender (the “August 20 Lender”), whereby the August 20 Lender issued the Company a promissory note of \$15,415 (the “August 20 Note”). The maturity date of the August 20 Note is February 17, 2025 (the “Maturity Date”).

The Company recorded debt issuance costs of \$1,615. The debt discount is being accreted over the life of the note. The debt discount is \$428 as of December 31, 2024.

During the year ended December 31, 2024, the Company repaid \$770 towards the balance of this note.

The October 18, 2024 Loan Agreement

On October 18, 2024, the Company entered into a loan agreement (the “October 18 Loan Agreement”) with a lender (the “October 18 Lender”), whereby the October 18 Lender issued the Company a promissory note of \$43,041 (the “October 18 Note”). The maturity date of the October 18 Note is April 18, 2025 (the “Maturity Date”). The Company is required to make a minimum payment every 60 days of \$4,782. The note does not accrue interest.

The Company recorded debt issuance costs of \$3,841. The debt discount is being accreted over the life of the note. The debt discount is \$3,364 as of December 31, 2024.

During the year ended December 31, 2024, the Company repaid \$21,455 towards this note.

The December 19, 2024 Loan Agreement

On December 19, 2024, the Company entered into a loan agreement (the “December 19 Loan Agreement”) with a lender (the “December 19 Lender”), whereby the December 19 Lender issued the Company a promissory note of \$12,060 (the “December 19 Note”). The maturity date of the December 19 Note was December 27, 2024 (the “Maturity Date”). As consideration for entering in the December 19 Loan Agreement, the Company issued 60,300 warrants of the Company’s common stock. This note has a flat interest fee of \$500.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$3,998 to the debt instrument (33%) and \$8,062 to the warrants (67%). The Company recorded \$8,062 of debt discount over the life of the note. As of December 31, 2024, this debt discount has been fully amortized. The Company recognized \$500 as a gain on extinguishment of debt related to the forgiveness of the \$500 interest fee.

During the year ended December 31, 2024, the Company repaid \$12,060 towards this note. This note was completed as of December 31, 2024.

The December 30, 2024 Loan Agreement

On December 30, 2024, the Company entered into a Loan Agreement with Jeremy Frommer, where the Company consolidated the outstanding notes with Mr. Frommer (the February 22 Loan Agreement, the March 26 Loan Agreement, and the June 13 Loan Agreement). The Company issued the promissory note with a principal amount of \$117,614, the sum of the balances of the three consolidated notes. The note has a maturity date of March 31, 2025.

The Company accrues interest at the rate of 20% per annum on the outstanding balance of the note. During the years ended December 31, 2024, this note recorded interest of \$64.

As of December 31, 2024, the note remains outstanding.

Note 6 – Convertible Notes Payable

Convertible notes payable as of December 31, 2024 and December 31, 2023 is as follows:

Note Name			Interest Rate	Conversion Price	Maturity Date	Warrants Granted	
	Outstanding Principal as of December 31, 2024	Outstanding Principal as of December 31, 2023				Quantity	Exercise Price
The First May 2022 Convertible Note Offering	\$ –	\$ 495,000	18 %	\$ 1,000 (*)	Nov 2022	4,000	\$ 1,500 – \$3,000
The Second May 2022 Convertible Note Offering	–	495,000	18	1,000 (*)	Nov 2022	4,000	\$ 1,500 – \$3,000
The July 2022 Convertible Note Offering	–	1,756,159	18	5.00 (*)	Mar 2023	4,300	\$5
The December 2022 Convertible Loan Agreement	–	250,000	–	12.50 (*)	Apr 2023	1,125	\$100
The January 2023 Convertible Loan Agreement	–	847,500	–	12.50 (*)	Jun 2023	–	–
The February 2023 Convertible Loan Agreement	–	1,387,500	–	12.50 (*)	Jun 2023	–	–
The April 2023 Loan Agreement	–	65,167	10	(*)	Apr 2024	–	–
The May 16 2023 Loan Agreement	–	213,878	10	5.00	Apr 2024	4,400	\$63
The May 24 2023 Loan Agreement	–	31,146	10	(*)	Feb 2024	–	–
The June 2023 Loan Agreement	–	50,600	–	5.00 (*)	Dec 2023	173	\$100
The July 2023 Loan Agreement	–	143,000	10	(*)	Jul 2024	–	–
The October 2023 Loan Agreement	–	111,111	–	8.00 (*)	Oct 2024	–	–
The March 13, 2024 Loan Agreement	1,100,000	–	10	8.50 (*)	Sep 2025	–	–
The First April 2nd Loan Agreement	105,370	–	–	2.50	Jul 2025	11,112	\$5
The November 22, 2024 Loan Agreement	30,000	–	18	1.00 (*)	Jul 2025	120,000	\$0.87
	1,235,370	5,846,061					
Less: Debt Discount	(19,213)	(323,887)					
Less: Debt Issuance Cost	–	–					
Total	\$ 1,216,158	\$ 5,535,111					

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

The May 2022 Convertible Note Offering

During May of 2022, the Company conducted two closings of a private placement offering to accredited investors (including the The First May 2022 Convertible Note Offering and The Second May 2022 Convertible Note Offering, collectively “The May 2022 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 \$.001 per share, at a conversion price of \$1,000 per share. As additional consideration for entering in the May 2022 Offering, the Company issued 8,000 warrants of the Company’s common stock. Both notes 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 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 was amortized over the life of the note and was fully amortized prior to December 31, 2023.

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

On September 15, 2022, the Company and 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 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 \$1,083,684 as a 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, which was fully amortized in 2023.

On March 13, 2024, the Company entered into a separate restructuring agreement with the remaining May 2022 Investors, converting the principal balances into the March 13 Loan Agreement and recognizing a \$148,907 gain on settlement of debt for each note, or a total gain of \$297,814, related to the forgiveness of interest.

The July 2022 Convertible Note Offering

During July of 2022, the Company conducted multiple closings of a private placement offering to 10 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 Company recorded a \$214,981 debt discount relating to an original issue discount. The debt discount was amortized over the life of the note.

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 year 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.

During the year ended December 31, 2024, all July 2022 Investors converted all outstanding note amounts into the Company's Preferred Series F stock. The Company recognized a \$305,136 gain on settlement of debt. During the year ended December 31, 2024, the notes collectively accrued \$74,469 in interest.

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 December 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 an original issue discount and \$508,227 relating to the beneficial conversion feature. The debt discount is being amortized over the life of the note. The Company amortized \$642,857 during the year ended December 31, 2023.

During the year ended December 31, 2023, the December 2022 Lender converted \$500,000 into 5,000 shares of the Company's common stock and recorded \$7,397 of interest.

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 And the conversion price was lowered to \$12.50.

On February 12, 2024, the December 2022 Lender converted \$250,000 of this note into the Company's Preferred Series F stock, completing the note.

During the year ended December 31, 2024, the note recorded \$2,671 in interest. The Company recorded \$27,603 as a gain on extinguishment of debt related to the forgiveness of all accrued interest at the time of conversion.

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 relating to the fair value of the embedded derivative components of the note. The debt discount was being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$847,500 in the year ending December 31, 2023 as a result of the amortization of the debt discount..

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

On February 12, 2024, the December 2022 Lender converted \$750,000 of this note into the Company's Preferred Series F stock, completing the note.

The Company recorded \$97,500 as a gain on extinguishment of debt relating to the forgiveness of the original issuance discount upon conversion.

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 was August 1, 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 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$1,387,500 in 2023 as a result of the amortization of the debt discount.

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

On February 12, 2024, the December 2022 Lender converted \$1,250,000 of this note into the Company’s Preferred Series F stock, completing the note.

The Company recorded \$137,500 as a gain on extinguishment of debt relating to the forgiveness of the original issuance discount upon conversion.

The April 2023 Loan Agreement

On April 24, 2023, the Company entered into a loan agreement (the “April 24 2023 Loan Agreement”) with a lender (the “April 24 2023 Lender”), whereby the April 24 2023 Lender issued the Company a promissory note of \$109,500 (the “April 24 2023 Note”). Pursuant to the April 24 2023 Loan Agreement, the April 24 2023 Note has an interest rate of 10%. The maturity date of the April 2023 Note is April 24, 2024 (the “April 24 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 \$88,065 debt discount relating to a \$5,000 original issue discount and \$83,065 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$58,710 during the years ended December 31, 2024 and 2023, respectively, as a result of the amortization of the debt discount.

On July 23, 2024, the Lender converted the remainder of this note and the September 27 2023 Note into a combined 171,039 shares of the Company’s common stock, and received an additional 10,461 shares of common stock as consideration.

During the year ended December 31, 2024, the note accrued \$3,624 in interest. The debt discount is fully amortized as of December 31, 2024. The Company recorded \$77,631 as a loss on extinguishment of debt related to the value of common stock issued for conversion exceeding the remaining note value.

The May 16 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 with a relative fair value of \$90,349 and 750 restricted shares of the Company's common stock with a relative fair value of \$16,090.

The First May 2023 Note was convertible into shares of the Company's common stock, par value \$0.001 per share ("Conversion Shares") at a price of \$37.50 per share.

The Company recorded a \$275,000 debt discount relating to a \$60,000 original issue discount and \$215,000 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. In the years ended December 31, 2024 and 2023, the Company expensed \$183,333 and \$91,667, respectively, as a result of the amortization of the debt discount.

On July 2, 2024, the Lender converted the remaining \$278,178 of outstanding debt and interest into 231,815 shares of the Company's common stock.

During the year ended December 31, 2024, the note recorded \$9,890 in interest. The debt discount is fully amortized as of December 31, 2024. The Company recorded \$37,158 as a loss on extinguishment of debt related to the value of interest paid via conversion exceeding the amount previously accrued.

The May 24 2023 Loan Agreement

On May 24, 2023, the Company entered into a loan agreement (the "May 24 2023 Loan Agreement") with a lender (the "May 24 2023 Lender"), whereby the Second May 2023 Lender issued the Company a promissory note of \$86,250 (the "May 24 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 23, 2024 (the "May 24 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 \$61,363 debt discount relating to an \$11,250 original issue discount and \$50,113 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$13,636 in 2024 and \$61,363 in 2023 as a result of the amortization of the debt discount.

During the year ended December 31, 2024, the note recorded \$811 in interest. The Company recorded \$976 as a gain on extinguishment of debt due to the value of interest paid being less than the amount previously accrued. During the year ended December 31, 2024, the Company repaid this note in full.

The June 23 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 were due. The June 2023 Note is convertible into the Company's common stock at a price of \$5.00 per share. Mr. Frommer was also issued 173 warrants with an exercise price of \$20 and a relative fair value of \$3,076. See Note 9 – Stockholders' Equity for further detail on warrant issuances. During the year ended December 31, 2023, the Company repaid \$35,000 in principal.

The Company recorded a \$3,076 debt discount relating to an original issue discount, which was fully amortized during the year ended December 31, 2023..

During the year ended December 31, 2024, the Company repaid this note in full. The Company recorded \$3,158 as a loss on extinguishment of debt due to the value of interest paid being less than the amount previously accrued.

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 24, 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 \$143,000 debt discount relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$83,417 in 2024 and \$59,583 in 2023 as a result of the amortization of the debt discount..

On July 23, 2024, the Lender converted the remaining \$143,000 of outstanding debt on this note and one other outstanding note into a combined 171,039 shares of the Company’s common stock, and received an additional 10,461 shares of common stock as consideration.

During the year ended December 31, 2024, the note accrued \$627 in interest. The debt discount is fully amortized as of December 31, 2024. The Company recorded \$2,932 as a loss on extinguishment of debt related to the difference between the value of common stock issued for conversion and the remaining note value.

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 \$111,111 debt discount relating to an original issue discount, issuance costs, and derivative liability. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$92,593 in 2024 and \$18,519 in 2023 as a result of the amortization of the debt discount.

During the three months ended March 31, 2024, the October 2023 lender converted \$35,860 of the amounts owed under the note into the Company’s common stock and the Company accrued \$2,740 in interest.

On July 29, 2024, the October 2023 lender converted the remaining \$98,309 of outstanding debt and interest to 81,924 shares of the Company’s common stock.

During the year ended December 31, 2024, the note recorded \$4,330 in interest. The Company recorded \$21,042 as a loss on extinguishment of debt due to the value of interest paid being less than the amount previously accrued.

The February 20, 2024 Loan Agreement

On February 20, 2024, the Company entered into a promissory note agreement (the “February 20 Loan Agreement”) with a lender (the “February 20 Lender”), whereby the February 20 Lender issued the Company a promissory note of \$50,000. The interest rate of the February 20 Note is 5%. The maturity date of the February 20 Note is August 20, 2024. As additional consideration for entering in the February 20 Loan Agreement, the Company issued 16,667 warrants of the Company’s common stock. The February 20 Loan Agreement is convertible into the Company’s common stock at a price of \$3.00 per share.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$15,792 to the debt instrument (32%) and \$34,208 to the warrants

(68%). The Company recorded \$34,208 of debt discount relating to the issuance of warrants, which was amortized over the life of the note to accretion of debt discount. The debt discount is fully amortized as of December 31, 2024.

On July 19, 2024, the Company and the February 20 Lender executed an agreement extending the maturity date from August 30, 2024 to December 31, 2024 for no additional consideration. The amendment was accounted for as a debt modification in accordance with ASC 470-50.

On September 3, the February 20 Lender converted the total balance of the note to shares of Series G Preferred stock. The Company recognized \$1,342 as a gain on extinguishment of debt due to the fair value of shares issued exceeding the remaining note value.

During the year ended December 31, 2024, the note recorded \$1,342 in interest.

The March 11 Loan Agreement

On March 11, 2024, the Company entered into a convertible note agreement (the “March 11 Loan Agreement”) with a lender (the “March 11 Lender”), whereby the March 11 Lender issued the Company a convertible promissory note \$100,000. The interest rate of the March 11 Note is 5%. The maturity date of the March 11 Note is July 11, 2024. As additional consideration for entering in the March 11 Loan Agreement, the Company issued 20,000 warrants of the Company’s common stock. The March 11 Loan Agreement is convertible into the Company’s common stock at a price of \$3.00 per share.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$45,461 to the debt instrument (45%) and \$54,539 to the warrants (55%). The Company accreted \$54,539 of debt discount relating to an original issue discount, which was amortized over the life of the note to accretion of debt discount. The debt discount is fully amortized as of December 31, 2024.

On July 19, 2024, the Company and the March 11 Lender executed an agreement extending the maturity date from July 11, 2024 to December 28, 2024 for no additional consideration. The amendment was accounted for as a debt modification in accordance with ASC 470-50.

On September 3, 2024 the March 11 Lender converted the balance of the note to shares of Series G Preferred stock. During the year ended December 31, 2024, the note recorded \$2,411 in interest. The Company recorded \$2,411 as a gain on extinguishment of debt due to the remaining value of the note exceeding the value of the shares issued for conversion.

The March 13 Loan Agreement

On March 13, 2024, the Company entered into a restructuring agreement with two of the remaining holders of the May 2022 Convertible Notes (the “First March 13 Loan Agreement”). As part of the agreement, the principal balance of the notes, each \$495,000, was combined into a single note and increased to \$1,100,000 and the conversion price was reduced to \$8.50 per share. The notes accrue interest at a rate of 10% per annum for the first 12 months following closing and 15% thereafter, with interest payable monthly in cash beginning April 15, 2024. The maturity date was extended to 18 months from the date of closing.

As additional consideration for the exchange, the Company cancelled all Series C and Series D Warrants held by the noteholders and issued preferred shares convertible into 30,000 shares of the Company’s common stock. The Company also granted the noteholders a first-priority security interest in all of its assets and those of its subsidiaries.

Since the present value of the cash flows of the new and old debt were more than 10% different, the Company used extinguishment accounting under ASC 470-50. As part of the agreement, the Company recognized a \$110,000 loss on extinguishment of debt due to the additional principal and a \$148,907 gain on extinguishment of debt due to the forgiveness of accrued interest.

During the year ended December 31, 2024, the note recorded \$88,301 in interest.

The March 22 Loan Agreement

On March 22, 2024, the Company entered into a convertible note agreement (the “March 22 Loan Agreement”) with a lender (the “March 22 Lender”), whereby the March 22 Lender issued the Company a convertible promissory note \$75,000. The interest rate of the March 22 Note is 5%. The maturity date of the March 22 Note is July 22, 2024. As additional consideration for entering in the March 22 Loan Agreement, the Company issued 15,000 warrants of the Company’s common stock. The March 22 Loan Agreement is convertible into the Company’s common stock at a price of \$2.75 per share.

On July 19, 2024, the Company and the March 22 Lender executed an agreement extending the maturity date from July 22, 2024 to December 28, 2024 for no additional consideration. The amendment was accounted for as a debt modification in accordance with ASC 470-50.

On September 3, the March 22 Lender converted the remaining balance of the note to shares of Series G Preferred stock. The Company recorded \$12,069 as a gain on extinguishment of debt related to the forgiveness of interest at the time of conversion. .

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$34,096 to the debt instrument (45%) and \$40,904 to the warrants (55%). The Company recorded \$40,904 of debt discount relating to the warrants, which was amortized over the life of the note to accretion of debt discount. The debt discount is fully amortized as of December 31, 2024. During the year ended December 31, 2024, the note recorded \$12,069 in interest.

The First April 2nd Loan Agreement

On April 2, 2024, the Company entered into a loan agreement (the “First April 2 Loan Agreement”) with a lender (the “First April 2 Lender”), whereby the First April 2 Lender issued the Company a promissory note of \$55,556 (the “First April 2 Note”). The maturity date of the First April 2 Note is October 2, 2024 (the “Maturity Date”). The First April 2 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$2.50. As additional consideration for entering in the First April 2 Loan Agreement, the Company issued 11,112 warrants of the Company’s common stock. The Company recorded a \$5,556 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 Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$31,210 to the debt instrument (56%) and \$24,346 to the warrants (44%). The Company recorded \$14,951 of debt discount relating to an original issue discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. The debt discount is fully amortized as of December 31, 2024.

On October 15, 2024 the Lender agreed to amend the loan agreement, whereby the Maturity Date was extended to April 2, 2025. As consideration for the exchange, the Company agreed to increase the principal to \$108,970, which was inclusive of all penalty principal additions and original issue discounts. The amendment was accounted for as a debt modification in accordance with ASC 470-50. As part of the agreement, the Company is required to make monthly payments of \$1,800 towards the balance of the note. During the twelve months ended December 31, 2024, the Company paid \$3,600 towards this note.

This note was outstanding as of December 31, 2024.

The Second April 2nd Loan Agreement

On April 2, 2024, the Company entered into a loan agreement (the “Second April 2 Loan Agreement”) with a lender (the “Second April 2 Lender”), whereby the Second April 2 Lender issued the Company a promissory note of \$27,778 (the “Second April 2 Note”). The maturity date of the Second April 2 Note is October 2, 2024 (the “Maturity Date”). The Second April 2 Note is convertible into shares of the Company’s common stock, par value

\$0.001 per share (“Conversion Shares”) equal to \$2.50. The Company recorded a \$2,778 debt discount relating to an original issue discount.

On November 21, 2024, the Lender converted the balance of the note to shares of Series G Preferred stock.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$15,605 to the debt instrument (56%) and \$12,173 to the warrants (44%). The Company recorded \$14,951 of debt discount and the original discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. The debt discount is fully amortized as of December 31, 2024.

The Third April 2nd Loan Agreement

On April 2, 2024, the Company entered into a loan agreement (the “Third April 2 Loan Agreement”) with a lender (the “Second April 2 Lender”), whereby the Second April 2 Lender issued the Company a promissory note of \$27,778 (the “Second April 2 Note”). The maturity date of the Second April 2 Note is October 2, 2024 (the “Maturity Date”). The Second April 2 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$2.50. The Company recorded a \$2,778 debt discount relating to an original issue discount.

On August 29, 2024, the Second April 2 Lender converted the remaining balance of the note to shares of Series G Preferred stock.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$15,605 to the debt instrument (56%) and \$12,173 to the warrants (44%). The Company recorded \$14,951 of debt discount relating to the warrants and the original issue discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. The debt discount is fully amortized as of December 31, 2024.

The Fourth April 2nd Loan Agreement

On April 2, 2024, the Company entered into a loan agreement (the “Fourth April 2 Loan Agreement”) with a lender (the “Second April 2 Lender”), whereby the Second April 2 Lender issued the Company a promissory note of \$27,778 (the “Second April 2 Note”). The maturity date of the Second April 2 Note is October 2, 2024 (the “Maturity Date”). The Second April 2 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$2.50. The Company recorded a \$2,778 debt discount relating to an original issue discount.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$15,605 to the debt instrument (56%) and \$12,173 to the warrants (44%). The Company recorded \$14,951 of debt discount relating to an original issue discount and the warrants, which was amortized over the life of the note to accretion of debt discount and issuance cost. The debt discount is fully amortized as of December 31, 2024.

On August 27, 2024, the Third April 2 Lender converted the balance of the note to shares of Series G Preferred stock.

The April 12th Loan Agreement

On April 12, 2024, the Company entered into a promissory note agreement (the “April 12 Loan Agreement”) with a lender (“April 12 lender”), whereby the April 12 lender issued the Company a convertible promissory note of \$50,000 (the “April 12 Note”). The April 12 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$2.50. As additional consideration for entering in the April 12th Loan Agreement, the Company issued 40,000 warrants of the Company’s common stock. The original maturity date of the April 12 Note was August 12, 2024. On July 19, 2024, the Lender agreed to extend the maturity date to December 31, 2024. The amendment was accounted for as a debt modification in accordance with ASC 470-50.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$19,009 to the debt instrument (38%) and \$30,991 to the warrants (62%). The Company recorded \$30,991 of debt discount, which was amortized over the life of the note to accretion of debt discount and issuance cost. The debt discount is fully amortized as of December 31, 2024. During the year ended December 31, 2024, the note recorded \$3,603 in interest.

On September 3, the April 12th Lender converted the balance of the note to shares of Series G Preferred stock.

The November 22nd Loan Agreement

On November 22, 2024, the Company entered into a promissory note agreement (the “November 22 Loan Agreement”) with a lender (“November 22 lender”), whereby the November 22 lender issued the Company a convertible promissory note of \$30,000 (the “November 22 Note”) with an original issuance discount of \$5,000. The November 22 Note is convertible into shares of the Company’s common stock, par value \$0.001 per share (“Conversion Shares”) equal to \$1.00, or the lesser of and the lowest per-share amount of any financing consummated after the date of the Agreement. As additional consideration for entering in the November 22 Loan Agreement, the Company issued 120,000 warrants of the Company’s common stock. The original maturity date of the November 22 Note is March 22, 2025.

The Company accounted for the issuance of the warrants and the note using the relative fair value method. The total relative fair value was allocated as follows: \$6,537 to the debt instrument (22%) and \$24,463 to the warrants (78%). During the year ended December 31, 2024, the Company recorded a \$29,463 debt discount relating to an original issue discount and the issuance of warrants, which is being amortized over the life of the note to accretion of debt discount and issuance cost. As of December 31, 2024, the debt discount was \$19,213. During the year ended December 31, 2024, the note recorded \$577 in interest.

As of December 31, 2024, the note remains outstanding.

Note 7 – Related Party

Officer compensation

During the years ended December 31, 2024 and 2023, the Company paid \$153,004 and \$166,018, respectively for living expenses for officers of the Company under general and administrative expenses.

Note 8 – 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. For the terms of the conversion features see Note 6. The Company had no derivative assets measured at fair value on a recurring basis as of December 31, 2024.

The Company utilizes a Monte Carlo simulation model for the make whole feature in the Company’s outstanding Equity Line of Credit 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 and comprehensive loss.

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, 2024 and 2023.

	Years Ended December 31, 2024 and 2023			
	Level 1	Level 2	Level 3	Total
Derivative liabilities as January 1, 2023	\$ -	\$ -	\$ -	\$ -
Addition	-	-	12,580,708	12,580,708
Changes in fair value	-	-	(4,744,187)	(4,744,187)
Extinguishment	-	-	-	-
Derivative liabilities as December 31, 2023	-	-	\$ 7,836,521	\$ 7,836,521
Addition	-	-	-	-
Changes in fair value	-	-	6,370,621	6,370,621
Extinguishment	-	-	1,465,900	1,465,900
Derivative liabilities as December 31, 2024	\$ -	\$ -	\$ -	\$ -

Note 9 – 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.

Equity Line of Credit

On October 20, 2022, the Company entered into a common stock purchase agreement (the "Equity Line of Credit") with an otherwise unaffiliated third party (the "Investor"). Pursuant to the terms of the Equity Line of Credit, for a period of thirty-six (36) months commencing on the trading day immediately following the date of effectiveness of the Registration Statement, the Investor can purchase up to \$15,000,000 of the Company's common stock, par value \$0.001 per share, pursuant to drawdown notices, covering the registrable securities. The purchase price of the shares under the Equity Line of Credit is equal to 82% of the lowest volume weighted average price (VWAP) during the last ten trading days after the Company delivers to the Investor a put notice or drawdown notice in writing requiring Investor to purchase shares of the Company, subject to the terms of the Equity Line of Credit.

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 years ended December 31, 2024 and 2023, investors converted 0 shares of the Company's Series E Convertible Preferred Stock into shares of the Company's common stock.

Series F Convertible Preferred Stock

The Company has designated 5,500,000 shares of Series F Convertible Preferred stock and has 3,088 shares issued and outstanding as of December 31, 2024.

The shares of Series F 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 F Preferred Stock, at any time following the Original Issue Date at a price of \$5.00 per share, subject to adjustment. Each holder of Series F Preferred Stock shall be entitled to receive, with respect to each share of Series F Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing.

During the year ended December 31, 2024, investors were issued 3,939 shares of Series F Preferred stock for the conversion of \$3,930,001 in outstanding notes for a loss on settlement of debt of \$3,589,203 and 3,774 shares of Series F Preferred stock for the exchange of 1,501,353 warrants, resulting in an inducement expense of \$1,441,908.

During the year ended December 31, 2024, investors were issued 150 shares of Series F Preferred stock in exchange for 1,800 warrants with an exercise price of \$480 as part of the restructuring of a previously outstanding note payable. See *The March 13 Loan Agreement* for further details on the restructuring.

Between March 14, 2024 and March 20, 2024, 11 investors converted 1,802 shares of Preferred Series F stock into 360,400 shares of common stock.

Between June 25 and June 27, 2024, 6 investors converted 2,713 shares of Series F Preferred into 542,600 shares of common stock.

On July 25, 2024, the Company issued 100,000 shares of common stock for the conversion of 500 shares of Series F preferred stock to 2 investors.

Between July 31, 2024 and August 1, 2024, the Company issued 61,000 shares of common stock for the conversion of 305 shares of preferred series F stock to 3 investors.

On September 30, 2024, 2 investors rescinded a conversion of 575 shares of Preferred Series F stock, causing the cancellation of 115,000 shares of common stock and the re-issuance of 575 shares of Preferred Series F stock.

Series G Convertible Preferred Stock

The Company has designated 500,000 shares of Series G Convertible Preferred stock and has 1,904 shares issued and outstanding as of December 31, 2024.

The shares of Series G Preferred Stock have a stated value of \$750 per share and are convertible into Common Stock at the election of the holder of the Series G Preferred Stock, at any time following the Original Issue Date at a price of \$1.00 per share, subject to adjustment. Each holder of Series G Preferred Stock shall be entitled to receive, with respect to each share of Series G Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

During the year ended December 31, 2024, investors were issued 284 shares of Series G Preferred stock for gross proceeds of \$210,000. As additional incentive, the Company issued 210,500 warrants with an exercise price of \$1.00 and a fair value of \$152,742.

During the year ended December 31, 2024, the Company issued 644 shares of Series G Preferred with a fair value of \$355,305 for the conversion of \$408,334 in notes payable, resulting in a gain on settlement of debt of \$76,429. Additionally, the Company issued 48 shares of Series G Preferred in exchange for the cancellation of 71,230 warrants, resulting in an inducement expense of \$23,400.

Additionally, on August 27, 2024, 134 shares of Series G Preferred were issued to a consultant of the company as compensation for services rendered at a value of \$76,380.

On November 25, 2024, the Company entered into agreements with 2 vendors to settle a total of \$665,620 in accounts payable for 437,347 shares of common stock with a fair value of \$362,998 and 975 shares of Series G Preferred with a fair value of \$606,938. This resulted in a loss on settlement of debt of \$304,316.

Series H Convertible Preferred Stock

The Company has designated 50,000 shares of Series H Convertible Preferred stock and has 3,798 shares issued and outstanding as of December 31, 2024.

The shares of Series H Preferred Stock have a stated value of \$100 per share and are convertible into Common Stock at the election of the holder of the Series H Preferred Stock, at any time following the Original Issue Date at a price of \$0.257 per share, subject to adjustment. Each holder of Series H Preferred Stock shall be entitled to receive, with respect to each share of Series H Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The “Beneficial Ownership Limitation” shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

During the year ended December 31, 2024, investors were issued 3,798 shares of Series H Preferred stock for the conversion of outstanding payroll and payables to Key Drivers of the Company. See *Shares issued for settlement of compensation to employees and consultants* for further details regarding these conversions.

Common Stock

Sale of minority interest in OG Collection Inc.

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

Sale of minority interest via Regulation CF in Vocal, Inc.

On August 18, 2023, The Company commenced a Regulation CF offering to raise funds at the subsidiary level by issuing convertible preferred stock in Vocal, Inc., a wholly-owned subsidiary of Creatd, Inc. As of December 31, 2023, the Company had sold 10,040 shares of preferred stock for net proceeds of \$65,804. In the year ended December 31, 2024, the Company sold an additional 2,164 shares for net proceeds of \$18,986. The offering closed in February 2024, with a total of 12,204 shares sold. Prior to this offering, a total of 100,000,000 shares were issued and outstanding, owned by the Company.

The investors had the right to cancel their investment prior to the February 2024 closing, therefore the net proceeds of \$65,804 received as of December 31, 2023 were classified as “Deferred offering proceeds” on the Consolidated Balance Sheets. As of December 31, 2024, these amounts were reclassified under mezzanine equity on its consolidated balance sheets.

The preferred stock issued carries limited rights, including no voting rights unless converted into common stock, a fixed liquidation preference, a quarterly dividend right based on the subsidiary’s GAAP net revenues, and a redemption right exercisable after five years at a fixed face value. The preferred stock converts into common stock at a conversion price of \$0.60.

Stock based compensation in consolidated subsidiaries

On August 1, 2024, Vocal, Inc. granted 48.72% of its membership interests, in the form of shares of Preferred Stock to officers, board members, employees, and consultants (“Key Drivers”) involved with operations of Vocal.

On August 1, 2024, OG Collection, Inc. granted 46% of its membership interests, in the form of shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On August 9, 2024, the OG Collection, Inc. amended its Articles of Incorporation, increasing its authorized shares from 2,000,000, all of which was Common Stock, to 1,050,000,000, of which 1,000,000,000 shares became Common Stock and 50,000,000 shares became Preferred Stock.

On August 9, 2024, Vocal, Inc. granted an additional 3.01% of its membership interests, in the form of shares of Preferred Stock, to Key Drivers involved with operations of Vocal.

On August 12, 2024, OG Collection, Inc. granted an additional 1.5% of its membership interests, in the form of shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On November 27, 2024, the Company rescinded 1.5% of its membership interests in OG Collection, Inc. and 1.70% of its membership interests in Vocal, Inc. previously issued to a board member after their resignation.

Common stock issued upon conversion of notes payable

On January 17, 2023, the Company issued 228 shares pursuant to a conversion of \$51,132 in convertible notes at a price of \$225.25 per share.

On February 10, 2023, the Company issued 8,667 shares of its common stock pursuant to a conversion of \$866,650 in convertible notes at a price of \$100 per shares.

On February 13, 2023, the Company issued 5,000 shares of its common stock pursuant to a conversion of \$500,000 in convertible notes at a price of \$100 per share.

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 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 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 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 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 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 January 9, 2024, the Company issued 20,000 shares of its common stock pursuant to a conversion of \$100,000 in convertible notes and accrued interest at a price of \$5.00 per share.

On February 2, 2024, the Company issued 16,424 shares of its common stock pursuant to a conversion of \$82,103 in accrued interest on convertible notes at a price of \$5.00 per share.

On March 15, 2024, the Company issued 1,287 shares pursuant to a conversion of \$4,500 in promissory notes at a price of \$3.50 per share.

On March 18, 2024, the Company agreed to the cancellation of a previous conversion of \$4,285 in notes payable and rescinded the issuance of 343 shares of its common stock.

On March 19, 2024, the Company issued 5,000 shares pursuant to the conversion of \$40,000 in convertible notes at a price of \$8.00 per share.

On July 2, 2024, the Company issued 231,815 shares of common stock in exchange for \$278,179 in convertible notes payable at a price of \$1.20 per share.

On July 10, 2024, the Company issued 275,000 shares of common stock in exchange for \$330,000 in notes payable and accrued interest at a price of \$1.00 per share, resulting in a gain on settlement of debt of \$55,000.

On July 11, 2024, the Company issued 128,205 shares of common stock in exchange for \$41,129 in notes payable and \$58,871 in interest at a price of \$0.78 per share, resulting in a loss on settlement of debt of \$28,205.

On July 22, 2024, the Company issued 171,039 shares of common stock in exchange for \$133,411 in notes payable at a price of \$0.90 per share, resulting in a loss on settlement of debt of \$20,524. Additionally, the Company issued 10,461 shares with a fair value of \$9,414 as penalties and fees in relation to the conversion of a note payable.

On July 29, 2024, the Company issued 81,924 shares of common stock for the conversion of \$98,309 in notes payable and accrued interest at a price of \$1.20 per share.

On September 12, 2024, the Company issued 161,346 shares of common stock for the conversion of \$41,429 in notes payable at a price of \$0.26 per share, resulting in a loss on settlement of debt of \$40,857.

On November 6, 2024, a noteholder converted \$54,000 in principal for 150,000 shares of common stock at a price of \$0.36 per share, resulting in a loss on settlement of debt of \$43,500.

On December 2, 2024, a noteholder converted \$9,683 in principal and \$11,999 in interest into 57,635 shares of common stock at a price of \$0.38 per share, resulting in a loss on settlement of debt of \$19,815.

Shares issued for settlement of accounts payable

On February 28, 2024, the Company issued 2,300 shares at a fair value of \$11,270 to settle \$2,300 in outstanding liabilities, resulting in a loss on settlement of debt of \$8,970.

On February 28, 2024, the Company issued 18,000 shares of common stock with a fair value of \$88,200 to a vendor to settle \$15,120 in outstanding liabilities, resulting in a loss on settlement of debt of \$73,080.

On March 22, 2024, the Company issued 33,895 shares of common stock with a fair value of \$203,370 to a vendor to settle \$27,472 in outstanding liabilities, resulting in a loss on settlement of debt of \$174,898.

On August 22, 2024, the Company issued 125,000 shares of common stock with a fair value of \$121,250 in exchange for \$120,000 in accounts payable outstanding to a vendor, resulting in a loss on settlement of debt of \$1,250. This issuance satisfied the first stage of a payment plan entered into relating to the termination of the Company's lease at 419 Lafayette Street. See *Lease Agreements* for further details on the lease agreement and its settlement.

On November 12, 2024, Jessica Skube and the Company executed a settlement agreement for the matter of Skube v WHE Agency Inc., et al. As part of the agreement, Ms. Skube received 150,000 shares of the Company's common stock, with an additional 35,000 shares of common stock issued in legal fees with a fair value of \$145,410 to settle the outstanding balance of \$191,360, resulting in a loss on settlement of debt of \$45,950.

On November 25, 2024, the Company entered into agreements with 2 vendors to settle a total of \$665,620 in accounts payable for 437,347 shares of common stock with a fair value of \$362,998 and 975 shares of Series G Preferred with a fair value of \$606,938. This resulted in a loss on settlement of debt of \$304,316.

On December 23, 2024, the Company entered into agreements with 2 vendors to settle a total of \$13,400 in accounts payable for 13,400 common shares with a fair value of \$5,360, resulting in a gain on settlement of debt of \$8,040.

Shares issued for settlement of compensation to employees and consultants

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 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 April 22, 2024, the Company issued 691,845 shares of common stock with a fair value of \$1,252,239 in exchange for \$609,535 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$642,704.

On June 7, 2024, the Company issued 219,535 shares of common stock with a fair value of \$392,968 in exchange for \$144,502 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$248,466.

On June 26, 2024, the Company issued 216,704 shares of common stock with a fair value of \$343,476 in exchange for \$84,514 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$258,962.

On July 31, 2024, the Company issued 250,339 shares of common stock with a fair value of \$367,998 in exchange for \$78,048 in net pay owed to employees, officers, and directors, and payables to key consultants, resulting in a loss on settlement of debt of \$289,950.

On September 30, 2024, the Company reversed the majority of the above conversions and rescinded 1,385,255 shares of common stock previously issued for the conversion of net pay owed to employees, officers, and directors, and payables to key consultants. The rescinded shares had a fair value of \$581,807, and resulted in the reinstatement of \$881,304 of the net pay owed to employees and payables and key consultants previously converted on April 22, June 7, June 26, and July 31, 2024.

On October 1, 2024, the Company re-offered employees, officers, directors, and key consultants the ability to convert their payables into Preferred Series H stock, and issued 3,798 shares of Preferred Series H stock with a fair value of \$755,422 in exchange for \$379,405 in net pay owed to employees, officers, and directors, and payables to key consultants. These conversions resulted in a loss on settlement of debt of \$376,017. The Series H Preferred shares issue contain all the standard terms and conditions under the certificate of destination for that class of stock, including conversion price adjustment upon the sale of equity at a lower price subsequent to the issuance of these shares. See *Series H Convertible Preferred Stock* for additional information on the terms of Series H Preferred.

Common stock issued for financing fees

On May 16, 2023, the Company issued 750 shares of its restricted common stock at a fair value of \$16,090 to the First May 2023 Lender as additional consideration for entering into the First May 2023 Loan Agreement.

On July 11, 2023, the Company issued 4,500 shares of its restricted common stock at a fair value of \$106,139 as commitment shares pursuant to a promissory note.

On July 31, 2023, the Company issued 4,000 shares of its restricted common stock at a fair value of \$23,067 as commitment shares pursuant to a promissory note.

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 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 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 November 1, 2023, the Company issued 10,000 shares of its common stock at a fair market value of \$46,512 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 \$117,474 as commitment shares pursuant to the extension of the maturity date of a promissory note.

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 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.

On January 10, 2024, the Company issued 14,000 shares of its restricted common stock at a fair value of \$28,000 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On March 21, 2024, the Company issued 3,500 shares of its restricted common stock at a fair value of \$21,700 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On March 25, 2024, the Company issued 3,000 shares of its restricted common stock at a fair value of \$16,710 as commitment shares pursuant to the extension of the maturity date of a promissory note.

On July 2, 2024, the Company issued 2,060 shares of common stock with a fair value of \$2,431 to an investor for fees and penalties associated with a convertible note.

Shares issued for acquisition of consolidated subsidiary

On January 25, 2023, the Company issued 200 shares of common stock to acquire an additional 24% of Dune, Inc.

On February 7, 2023, the Company issued 2,002 shares of common stock to acquire an additional 11% of Dune, Inc.

On February 13, 2023, the Company issued 200 shares of its common stock to acquire an additional 51% of WHE Agency, Inc.

On February 13, 2023, the Company issued 250 shares of its common stock to acquire an additional 5% of Orbit Media, LLC.

On May 30, 2023, the Company issued 983 shares of its restricted common stock at a fair value of \$223,734 in exchange for the remaining equity interest in Dune Inc.

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 28, 2023, the Company issued 2,188 shares of its restricted common stock at a fair value of \$14,874 in exchange for 18% membership interest in Orbit Media LLC.

On July 26, 2024, the Company issued 35,000 common shares with a fair value of \$38,150 to acquire 100% of the membership interests in S96 NYC, LLC (Studio 96 Publishing) from Ayelet Abitbul, an employee of the Company. Additionally, the Company issued 65,000 warrants with an exercise price of \$1.20 and an expected life of 5 years with a value of \$70,850, for a total purchase price of \$109,000. Of this purchase price, \$5,450 was recorded as Goodwill and \$103,550 was recorded as intangible assets.

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

On May 3, 2023, the Company sold 2,820 shares of its common stock pursuant to the Equity Line of Credit 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 June 20, 2023, the Company sold 2,766 shares of its common stock pursuant to the Equity Line of Credit 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 September 5, 2023, the Company sold 8,256 shares of its common stock pursuant to the Equity Line of Credit entered into on the October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$97,142 to the Company.

On October 20, 2023, the Company sold 8,485 shares of its common stock pursuant to the Equity Line of Credit 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 \$8.50 per share.

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

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

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

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

On January 3, 2024, the Company sold 9,989 shares of its common stock pursuant to the Equity Line of Credit entered into on October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$27,728 to the Company.

On March 6, 2024, the Company sold 7,143 shares of its common stock for proceeds of \$25,000. Additionally, the Company issued 7,143 warrants with an exercise price of \$7.00 and an expected life of 5 years with a fair value of \$33,215.

On March 25, 2024, the Company sold 23,848 shares of its common stock pursuant to the Equity Line of Credit entered into on October 20, 2022, between the Company and Coventry Enterprises for gross proceeds of \$83,872.

On April 8, 2024, the Company issued 10,000 shares of its restricted common stock for gross proceeds of \$25,000. Additionally, the Company issued 10,000 warrants with an exercise price of \$5.00 with an expected life of 5 years, and a fair value of \$35,100.

On November 18, 2024, the Company entered into a purchase agreement with 2 investors whereby the Company issued 26,666 shares of common stock for net proceeds of \$20,000. Additionally, the Company issued 126,667 warrants with an exercise price of \$1.25, an expected life of 5 years, and a combined fair value of \$114,000.

On December 10, 2024, the Company entered into a purchase agreement with 2 investors whereby the Company issued 100,000 shares of common stock for net proceeds of \$40,000. Additionally, the Company issued 100,000 warrants with an exercise price of \$1.00 and an expected term of 5 years with a fair value of \$64,375.

Stock based compensation in Creatd, Inc.

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 \$18,085,747.

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 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 1,350 shares of its restricted common stock to consultants in exchange for services at a fair value of \$76,950.

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 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 \$50,600.

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 March 1, 2024, the Company issued 10,000 shares at a fair value of \$51,100 to a vendor for services rendered. On May 17, 2024, these shares were then rescinded as part of a renegotiation of the agreement with this vendor.

On April 22, 2024, the Company issued 11,436 shares at a fair value of \$20,699 to a vendor for services rendered.

On May 28, 2024, the Company issued 55,000 shares of common stock with a fair value of \$99,000 to a vendor for services rendered.

On March 5, 2024, the Company issued 10,000 shares at a fair value of \$46,000 to a vendor for services rendered.

On March 6, 2024, the Company issued 15,000 shares with a fair value of \$69,750 to a vendor for services.

On July 8, 2024, the Company issued 9,615 shares of common stock with a fair value of \$10,288 to a vendor for services rendered.

On July 24, 2024, the Company issued 165,000 shares with a fair market value of \$155,100 to a vendor for services rendered.

On August 20, 2024, the Company issued 10,000 shares of common stock with a fair value of \$8,400 to 2 vendors for services rendered.

On September 27, 2024, the Company issued 572 shares with a fair value of \$217 to 2 directors of the Company for services rendered.

On November 7, 2024, the Company issued 107,698 shares with a fair market value of \$77,536 to consultants for services rendered.

On December 18, 2024, the Company issued 5,198 shares with a fair market value of \$2,079 to consultants for services rendered.

Shares issued for acquisition of marketable securities

On July 17, 2024, the Company acquired 0.5% of equity in Hollywall Entertainment Inc., in exchange for 16,578 shares of the Company's common stock.

On August 20, 2024, the Company acquired 0.5% of equity in Geopulse Explorations, Inc. a holding company focused on owning and developing technologies in the cannabis industry. As consideration for this acquisition, Geopulse Explorations received 21,675 shares of the Company's common stock.

On November 26, 2024, the Company acquired 1% of equity in Enzyloitics, Inc. a biotechnology company focused on developing in the pharmaceutical industry. As consideration for this acquisition, Enzyloitics received 39,824 shares of the Company's common stock.

Shares issued for acquisition of minority interest

On November 11, 2024, the Company acquired 5% of equity in THEPOWERHOUSE, LLC, the parent company of thehouseofarts.com and several influential ventures spanning art, fashion, and design. As consideration for this acquisition, The Powerhouse LLC received 333,333 shares of the Company's common stock. This minority equity investment was booked in *Minority interest in business* on the consolidated balance sheets at cost.

Shares issued for conversion of preferred to common

Between March 15, 2024 and March 18, 2024 6 investors converted 1,562 shares of Preferred Series F stock into 312,400 shares of common stock.

On March 20, 2024, 1 investor converted 120 shares of Preferred Series F stock into 24,000 shares of common stock.

Between June 25 and June 27, 2024, the Company issued 542,600 shares of common stock for the conversion of 2,713 shares of Series F Preferred.

On July 25, 2024, the Company issued 100,000 shares of common stock for the conversion of 500 shares of Series F preferred stock.

Between July 31, 2024 and August 1, 2024, the Company issued 61,000 shares of common stock for the conversion of 305 shares of preferred series F stock.

On September 30, 2024, 2 investors rescinded a conversion of 575 shares of Preferred Series F stock, causing the cancellation of 115,000 shares of common stock and the re-issuance of 575 shares of Preferred Series F stock.

Exercise of warrants to stock

Between January 25, 2023 and March 13, 2023, the Company issued 7,367 shares of common stock pursuant to the exercise of 7,367 warrants at an exercise price of \$100 per share for gross proceeds of \$736,810.

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

Shares issued for rounding in reverse stock split

On January 24, 2024, the Company effectuated a 1-for-500 reverse stock split. 3,554 shares with a fair value of \$12,084 were issued pursuant to rounding from this reverse stock split.

Stock Options

The assumptions used for options granted during the twelve months ended December 31, 2024 and 2023, are as follows:

	December 31, 2024
Exercise Price	\$1.78-1.92
Expected dividends	0%
Expected volatility	215.44% - 218.11%
Risk free interest rate	4.17% - 4.69%
Expected life of option	10 years

	December 31, 2023
Exercise Price	15
Expected dividends	0%
Expected volatility	180.97%
Risk free interest rate	4.40%
Expected life of option	5 years

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

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Balance – December 31, 2022 – outstanding	8,817	2,025	4.29
Granted	136,000	15.00	10.01
Exercised	-	-	-
Forfeited/Cancelled	-	-	-
Balance – December 31, 2023 – outstanding	144,817	135.00	9.31
Granted	1,928,751	0.30	10.01
Exercised	-	-	-
Forfeited/Cancelled	-	-	-
Balance – December 31, 2024 – outstanding	2,073,568	8.93	8.84
Balance – December 31, 2024 – exercisable	2,072,306	8.45	8.84

Option Outstanding			Option Exercisable		
Weighted Average Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (in years)
\$ 8.93	2,073,568	8.84	8.45	2,072,306	8.84

Stock-based compensation for stock options has been recorded in the consolidated statements of operations and totaled \$892,242, for the year ended December 31, 2023.

Stock-based compensation for stock options has been recorded in the consolidated statements of operations and totaled \$3,567,402, for the year ended December 31, 2024.

As of December 31, 2024, there was \$0 of total unrecognized compensation expense related to unvested employee options granted under the Company's share-based compensation plans.

On February 12, 2024, the Company issued 958,751 stock options with an exercise price of \$1.92, a vesting date of August 1, 2024, and an expiration date of February 12, 2034.

On April 30, 2024, the Company issued 970,000 stock options with an exercise price of \$1.78, a vesting date of August 1, 2024, and an expiration date of April 30, 2034.

On February 12, 2024, the Company's Board voted to lower the exercise price of 136,000 stock options from \$15 to \$1.92. As the fair value of the options after this modification was greater than the fair value previously recorded, no additional compensation expense was recorded.

On April 30, 2024, the Company's Board voted to lower the exercise price of 1,094,751 stock options from \$1.92 to \$1.78. As the fair value of the options after this modification was greater than the fair value previously recorded, no additional compensation expense was recorded.

On August 9, 2024, the Company's Board voted to lower the exercise price of 2,064,751 stock options from \$1.78 to \$0.87. As the fair value of the options after this modification was greater than the fair value previously recorded, no additional compensation expense was recorded.

On September 23, 2024, the Company's Board voted to lower the exercise price of 2,064,751 stock options from \$0.87 to \$0.30. As the fair value of the options after this modification was greater than the fair value previously recorded, no additional compensation expense was recorded.

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 assumptions used for warrants granted during the twelve months ended December 31, 2024 and 2023, are as follows:

	December 31, 2024
Exercise Price	\$0.26 - 7.00
Expected dividends	0%
Expected volatility	201.06% - 309.08%
Risk free interest rate	3.41% - 4.66%
Expected life of warrants	5 years
	December 31, 2023
Exercise Price	\$10 - 385
Expected dividends	0%
Expected volatility	179.31% - 187.30%
Risk free interest rate	3.52% - 4.81%
Expected life of warrants	5 years

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

	Warrant	Weighted Average Exercise Price
Balance – December 31, 2022 – outstanding	32,524	1,471.05
Granted	1,983,234	4.89
Exercised	(42,018)	36.39
Forfeited/Cancelled	(1,138)	0.00
Balance – December 31, 2023 – outstanding	1,972,602	17.92
Granted	37,057,683	1.68
Exercised	-	-
Forfeited/Cancelled	(12,823,429)	0.35
Balance – December 31, 2024 – outstanding	26,206,856	0.40
Balance – December 31, 2024 – exercisable	26,206,856	0.40

Warrants Outstanding			Warrants Exercisable		
Weighted Average Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (in years)
\$0.40	26,205,856	3.64	\$0.40	26,206,856	3.64

During the year ended December 31, 2023, the Company granted warrant holders 44,499 warrants with a fair value of \$2,543,194 to exercise existing warrants.

During the year ended December 31, 2023, a deemed dividend of \$32,554,410 was recorded to the Consolidated Statements of Operations and Comprehensive Loss, of which \$3,004,782 was in relation to the issuance of new warrants and \$29,549,628 was 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 with a fair value of \$265,268 were issued with convertible notes and promissory notes.

During the year ended December 31, 2023, a total of 48,588 warrants with a fair value of \$461,588 were issued with the sale of common stock.

During the year ended December 31, 2024, a deemed dividend of \$33,017,888 was recorded to the Consolidated Statements of Operations and Comprehensive Loss, of which \$2,071,061 was in relation to the issuance of new warrants and \$30,946,827 was in relation to the trigger of down round provision in outstanding warrants.

During the year ended December 31, 2024, a total of 411,234 warrants with a fair value of \$363,173 were issued with convertible notes and promissory notes.

During the year ended December 31, 2024, a total of 5,337,652 warrants with a fair value of \$4,526,593 were issued with the sale of common stock, the conversion of promissory notes, or the conversion of payables. This includes the settlement of \$250,000 in accounts payable for consideration of 300,000 warrants with an exercise price of \$1.00 and a fair value of \$149,990, resulting in a gain on settlement of debt of \$100,003.

11,319,417 warrants were cancelled on September 30, 2024 pursuant to the rescission of converted payroll and payable amounts (see *Shares issued for settlement of compensation to employees and consultants* for further detail).

on these conversions and their cancellation), leading to the reversal of \$2,455,532 in deemed dividend related to the issuance of new warrants and \$7,515,455 in deemed dividend related to the trigger of down round provisions.

Note 10 – 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. As of December 31, 2023, the Company had a balance of \$191,360 accrued for Miss Skube, which is included within accounts payable and accrued liabilities on the consolidated balance sheets.

On November 12, 2024, Jessica Skube and the Company executed a settlement agreement. As part of the agreement, Ms. Skube received 150,000 shares of the Company's common stock, valued at \$150,000, with an additional 35,000 shares of common stock issued in legal fees, valued at \$35,000.

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, and was awaiting a response as of December 31, 2023.

As of December 31, 2023, there was \$990,000 in outstanding principal, which is included in convertible notes net of debt discount and issuance costs on the consolidated balance sheets and \$297,814 in outstanding interest, which is included within accounts payable and accrued liabilities on the consolidated balance sheets.

On March 13, 2024, 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. See ("The First May 2022 Convertible Note" and "The Second May 2022 Convertible Note" in Note 6 for further detail.

Lease Agreements

The Company currently does not own any properties.

On May 1, 2022, the Company entered into a lease agreement for its former corporate headquarters, consisting of a total of 8,000 square feet and is located at 419 Lafayette Street, 6th Floor, New York, NY, 10003. The lease term was 7 years commencing May 1, 2022.

During 2024, the Company entered into and then subsequently amended the lease agreement for 419 Lafayette Street, with the goal of terminating the lease going forward contingent upon a payment plan for amounts owed under the lease. Under this agreement \$120,000 was owed prior to February 4, 2025, which amount was satisfied via the issuance of 125,000 shares of common stock in August 2024 (see *Common Stock* for full details on this issuance). An additional \$220,000 is due in monthly installments of \$19,000 between February 2025 and February 2026, and an additional \$252,000 is due in monthly installments of \$21,000 per month between February 2026 and February 2027. These payments are subject to acceleration based upon the Company's financing proceeds. As of December 31, 2024, the amount owed on this lease under Accounts Payable on its consolidated balance sheets was \$480,000. See *Subsequent Events*.

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, 2024 and 2023, the Company is in breach of this lease agreement and carries an accounts payable balance of \$120,597 on its consolidated balance sheets. See *Subsequent Events*.

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 December 31, 2024 and 2023, the Company is in breach of this lease agreement and owes \$30,108 in rent, which is included in accounts payable and accrued liabilities on the consolidated balance sheets. The Company vacated this office on May 1, 2022.

Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value is the Company's incremental borrowing rate, estimated to be 12.5%, as the interest rate implicit in most of its leases is not readily determinable. Operating lease expense is recognized on a straight-line basis over the lease term.

During the years ended December 31, 2024 and 2023, the Company recorded \$488,047 and \$464,183 as operating lease expense which is included in general and administrative expenses on the consolidated statements of operations and comprehensive loss, respectively.

The components of the lease expense were as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating lease cost	\$ 488,047	\$ 464,183
Short term lease cost	-	-
Total net lease cost	\$ 488,047	\$ 464,183

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

	Year Ended December 31, 2024	Year Ended December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating lease payments	323,292	323,292
Weighted average remaining lease term (in years):	6.25	6.25
Weighted average discount rate:	12.50%	12.50%

Operating right-of-use assets are summarized below.

	Year Ended December 31, 2024	Year Ended December 31, 2023
Office Lease	\$ 2,243,971	\$ 2,412,221
Less accumulated amortization	(610,764)	(489,109)
Right-of-use, net	\$ 1,633,207	\$ 1,923,112

Operating lease liabilities are summarized below

	Year Ended December 31, 2024	Year Ended December 31, 2023
Office Lease	\$ 1,822,053	\$ 2,087,423
Less: current portion	(547,439)	(532,689)
Long term portion	\$ 1,274,614	\$ 1,554,734

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

For the Twelve Months Ended December 31,	Operating Leases
2025	547,439
2026	532,424
2027	548,073
2028	564,191
2029	160,684
Thereafter	189,821
Total	2,352,812
Less imputed interest	(547,439)
PV of Payments	\$ 1,251,319

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 prescribed 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, the Company's 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, 2024, the Company does not have employment agreements with its executives or any other employees.

Note 11 – Acquisitions

Studio 96 Publishing

On July 26, 2024, the Company acquired 100% of the membership interests in S96 NYC, LLC (Studio 96 Publishing) from Ayelet Abitbul, an employee of the Company. As consideration for the acquisition, the Company issued 35,000 shares of common stock with a fair value of \$38,150 and 65,000 warrants with an exercise price of \$1.20 per share and an expected term of five years, valued at \$70,850. The total purchase price was \$109,000.

The acquisition was accounted for as a business combination in accordance with ASC 805. The total purchase consideration was allocated to the identified intangible assets and goodwill based on their estimated fair values. Of the total purchase price, \$43,600 was allocated to know-how, \$16,350 to the Company's website and app, and \$43,600 to the acquired customer list. The remaining \$5,450 was recorded as goodwill.

The know-how and customer list were valued using the income approach, specifically the multi-period excess earnings method, which estimates the present value of future cash flows attributable to each asset. The website and app were valued using the cost approach, which reflects the estimated cost to replace the existing digital infrastructure. Goodwill represents the expected synergies and benefits from the integration of Studio 96 Publishing with the Company's existing operations. The goodwill recognized is not deductible for tax purposes.

Hollywall Entertainment, Inc.

Creatd entered into a strategic securities swap agreement with Hollywall Entertainment, Inc. on July 17, 2024. Under this agreement, Creatd issued 16,578 shares of its common stock with a fair value of \$16,578 to Hollywall, while Hollywall issued 726,769 shares of its common stock (HWAL) to Creatd. This swap represents a minimum of 0.5% equity in each company, with the agreement forming part of a broader commitment towards potential expanded collaboration, subject to further due diligence. The agreement outlines confidentiality measures and is non-binding outside of the stock exchange. The value of the shares issued by the Company were recorded to marketable securities on the Company's consolidated balance sheets.

Geopulse Explorations, Inc.

On August 20, 2024, the Company acquired 0.5% of equity in Geopulse Explorations, Inc. a holding company focused on owning and developing technologies in the cannabis industry. As consideration for this acquisition, Geopulse Explorations received 21,675 shares of the Company's common stock with a fair value of \$18,208. The value of the shares issued by the Company were recorded to marketable securities on the Company's consolidated balance sheets.

Murge E-Commerce, Inc.

On September 20, 2024, Creatd entered into a definitive agreement with Murge E-commerce Inc., acquiring a 49% equity stake in Murge in exchange for establishing an equity reserve. Murge's initial assets include Letters of Intent with four named, target companies, each meeting a collective \$30 million in revenue for 2024. Creatd's equity stake is protected by anti-dilution measures contingent upon successful acquisitions. Financing utilizes non-dilutive Creatd preferred shares backed by a 100 million share reserve, capped at 4.99% voting rights for new holders. The agreement includes a 90-day exclusivity period and mandates confidentiality regarding transaction terms.

Investment in THEPOWERHOUSE, LLC

On November 11, 2024, the Company acquired 5% of equity in THEPOWERHOUSE, LLC, the parent company of thehouseofarts.com and several influential ventures spanning art, fashion, and design. As consideration for this acquisition, THEPOWERHOUSE LLC received 333,333 shares of the Company's common stock. The value of the shares issued by the Company were recorded to long-term assets under *Minority interest in business* on the Company's consolidated balance sheets.

Enzylotics, Inc.

On November 26, 2024, the Company acquired 1% of equity in Enzylotics, Inc. a biotechnology company focused on developing in the pharmaceutical industry. As consideration for this acquisition, Enzylotics received 39,824 shares of the Company's common stock at a fair value of \$32,855. The value of the shares issued by the Company were recorded to marketable securities on the Company's consolidated balance sheets.

Note 12 – 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, WHE Agency, 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 statements of operations and comprehensive loss as discontinued operations.

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

Discontinued Operations Consolidated Balance Sheets

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Assets		
Current assets		
Cash	\$ -	\$ 2,150
Accounts receivable, net	-	-
Inventory	-	-
Prepaid expenses and other current assets	-	-
Total Current assets	-	2,150
Intangible assets	-	-
Goodwill	-	-
Deposits and other assets	-	-
Total Assets	\$ -	\$ 2,150
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued liabilities	\$ -	-
Note payable, net of debt discount and issuance costs	-	-
Deferred revenue	-	-
Total Current Liabilities	-	-
Investment from Parent	-	-
Total Liabilities	-	-
Stockholders' Equity (Deficit)		
Accumulated deficit	-	2,150
Accumulated other comprehensive income	-	-
Total Creatd, Inc. Stockholders' Equity (Deficit)	-	2,150
Non-controlling interest in consolidated subsidiaries	-	-
Total Liabilities and Stockholders' Equity (Deficit)	\$ -	\$ 2,150

As of December 31, 2023, all assets and liabilities of the discontinued subsidiaries had been transferred to the parent company, assigned to a third party, or disposed of.

Discontinued Operations Consolidated Statements of Operations

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Net revenue	\$ -	\$ 662,987
Cost of revenue	-	884,565
Gross loss	-	(221,578)
Operating expenses		
Compensation	-	265,969
Marketing	-	291,173
Impairment of goodwill	-	46,460
Impairment of intangible assets	-	109,622
General and administrative	-	175,822
Total operating expenses	-	889,046
Loss from operations	-	(1,110,624)
Other income (expenses)		
Other income	-	-
Interest expense	-	(7,830)
Accretion of debt discount and issuance cost	-	-
Settlement of vendor liabilities	-	183,908
Other income (expenses), net	-	176,078
Loss before income tax provision	-	(934,546)
Income tax provision	-	-
Net Loss	-	(934,546)
Non-controlling interest in net loss	-	-
Net Loss attributable to Creatd, Inc.	\$ -	\$ (934,546)

Revenue for the discontinued entities was \$0 for the year ended December 31, 2024 and \$662,987 for the year ended December 31, 2023. Cost of revenue for the discontinued entity for the year ended December 31, 2024, was \$0 as compared to \$884,565 for the year ended December 31, 2023. Operating expenses for the discontinued entities for the year ended December 31, 2024, were \$0 as compared to \$889,046 for the year ended December 31, 2023. Loss from operations for the discontinued entities for the year ended December 31, 2024, was \$0 as compared to \$1,110,624 for the year ended December 31, 2023.

Note 13 - Segment Reporting

Business Segments

The Company's Chief Executive Officer, who serves as the Chief Operating Decision Maker ("CODM"), evaluates the Company's financial performance and allocates resources based on a consolidated view of the business. Consequently, the Company operates as a single reportable segment under the guidelines of ASC 280, *Segment Reporting*. The CODM classifies this segment as Creator Monetization Platform.

The Company's operations, which include digital media publishing, content creation tools, and creator monetization services, are managed centrally. The CODM assesses financial performance using metrics such as revenue, gross

margin, operating profit, and platform engagement metrics, which are outlined below as the primary cost components for evaluating the Company's performance.

Additionally, the CODM measures income generated from the Company's assets by focusing on net income as a key performance indicator. This metric is used to assess the return on assets and supports strategic decision-making.

	December 31, 2024	December 31, 2023
Net revenue	\$ 1,498,874	\$ 1,916,453
<i>Reconciliation of Revenue</i>		
Less: Cost of good sold	(63,144)	(808,315)
Segment gross margin	1,435,730	1,108,138
Less:		
Compensation	1,941,672	3,099,285
Marketing	274,039	362,013
Other segment items	11,557,240	24,406,028
Segment net loss from operations	(12,337,221)	(27,235,778)
Reconciliation of loss:		
Other income (expense), net	7,667,210	(11,758,750)
Loss before income taxes	(4,670,011)	(38,994,528)

(1) Other segment items comprising segment net loss include research and development, stock related expenses, and certain general and administrative expenses

Note 14 –Income Taxes

Components of deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Net deferred tax assets – Non-current:		
Depreciation	\$ (66,080)	\$ (146,938)
Stock based compensation	9,442,717	20,165,067
Expected income tax benefit from NOL carry-forwards	6,017,949	5,810,345
Less valuation allowance	(15,394,586)	(25,828,474)
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:

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
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, 2024 and 2023. Accordingly, management applied a full valuation allowance against net deferred tax assets as of December 31, 2024 and 2023. The valuation allowance for 2024 was \$(15,394,586), in comparison to a valuation allowance in 2023 of \$(25,828,474), a decrease in valuation allowance of \$10,433,888.

As of December 31, 2024, the Company had approximately \$108.1 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% of 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 consolidated 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 consolidated financial statements.

The Company does not reflect a deferred tax asset in its consolidated 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 15 – Subsequent Events

Consultant Shares

Subsequent to December 31, 2024, the Company issued 125,000 shares valued at \$125,000 to 3 consultants.

Conversion of Series F Preferred into Common Stock

Subsequent to December 31, 2024, 2 holders converted shares of Series F Preferred stock into 167,000 shares of common stock.

Note Extensions

Subsequent to December 31, 2024, 3 lenders extended 3 notes. One lender received an updated interest rate of 18% on two of its notes.

Conversion of Payables into Common Stock

Subsequent to December 31, 2024, 4 former vendors of the Company converted \$25,173 in net payables for services rendered into 29,373 shares of the Company's common stock.

Conversion of Payables into Preferred Stock

Subsequent to December 31, 2024, 1 former landlord of the Company converted \$480,000 in outstanding settlement payments owed 640 shares of the Company's Series G Preferred stock. See *Settlement of Lease Agreements* below.

Purchase of Common Stock

Subsequent to December 31, 2024, the Company issued 832,280 shares of its Common Stock in exchange for \$276,140 worth of cash, and acquiree debt, to 13 investors, at a price of \$1 per share of common stock.

Purchase of Series G Preferred

Subsequent to December 31, 2024, the Company issued 238 shares of its Preferred Series G stock in exchange for \$175,000 to investors, at a price of \$750 per share of Series G Preferred. Each Series G Preferred converts into 750 shares of the Company's common stock.

Conversion of Warrants into Common Stock

Subsequent to December 31, 2024, employees, directors and consultants of the Company converted 1,124,100 warrants into 4,496,400 shares of common stock.

New Notes

Subsequent to December 31, 2024, two lenders lent the Company a combined \$25,000.

Note Defaults

Subsequent to December 31, 2024, 1 note went into default.

Settlement of Lease Agreements

Subsequent to December 31, 2024, the Company reached an agreement with its former landlord at 1674 Meridian Ave., Miami Beach, FL, 33131. The Company and Landlord agreed that the Company make a settlement payment of \$10,000 to close out the payable and settle the lease. As of the date of this filing, the lease is settled and nothing further is due to the Landlord.

Subsequent to December 31, 2024, the Company amended its existing settlement agreement with its former landlord at 419 Lafayette Street, New York, NY 10003. Per the agreement, the Company issued \$480,000 worth of Preferred Series G stock to the Landlord to settle the remaining payable due per the Settlement Agreement. As of the date of this filing, the lease is settled and nothing further is due to the Landlord.

Options Issuances

Subsequent to December 31, 2024, the Company issued 6,375,000 options to purchase its common stock to officers, employees, consultants, and directors, as part of the Create 2024 Omnibus Securities and Incentive Plan (“Options Plan”). The options have a 10-year term. The Options Plan was approved at the Company’s 2024 annual shareholder meeting.

Acquisition of Flewber Global, Inc.

Subsequent to December 31, 2024, the Company completed the acquisition of Flewber Global, Inc. (“Flewber”) for total consideration of \$7,618,836.

In connection with the acquisition, the Company raised acquisition-specific funding from both former Flewber equity and debt investors. The Company raised \$276,140 in cash proceeds from former Flewber equity investors and issued 276,140 shares of the Company’s common stock in exchange for these funds. In addition, the Company issued 556,140 shares of common stock to former Flewber equity holders in exchange for their prior Flewber equity and new investment, resulting in a total of 832,280 shares of common stock issued as part of the acquisition.

The Company also raised \$1,056,000 in cash from former Flewber debt investors and issued 1,149 shares of Preferred Series G stock in exchange for these funds, accompanied by 1,064,250 warrants to purchase common stock at an exercise price of \$1.00 per share. Additionally, the Company issued 9,342 shares of Preferred Series G stock in exchange for outstanding Flewber debt at the time of the acquisition, along with 7,006,500 warrants to purchase common stock at an exercise price of \$1.00 per share.

As part of the acquisition, the Company also issued 503,558 warrants to purchase common stock at an exercise price of \$1.00 per share to former Flewber debt and equity holders who did not participate in the reinvestment.

Equity Exchange with MineralRite Corporation.

Subsequent to December 31, 2024, the Company acquired 0.4% of equity in MineralRite Corporation, a company focused on mining earth materials. As consideration for this acquisition, MineralRite Corporation received 90,000 shares of the Company’s common stock.

Reversal of Equity Exchange with Enzolytics, Inc.

Subsequent to December 31, 2024, the Company and Enzolytics, Inc. reversed their equity exchange entered into on November 11, 2024. The Company received 39,824 shares of its common stock back into its Treasury and returned 39,146,342 shares of its ownership of Enzolytics’s common stock into Enzolytics’s Treasury.

Item 13 Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please provide the financial statements described in Item 12 above for the issuer's two preceding fiscal years.

Instruction to Item 13: The issuer shall either (i) attach the financial statements required by this Item 13 to its initial disclosure or (ii) post such financial statements through www.OTCIQ.com as a separate report under the name of "*Annual Report*" for the applicable fiscal year end. **The issuer must state in its disclosure statement that such financial statements are incorporated by reference.** The issuer must also (x) provide a list in the disclosure statement describing the financial statements that are incorporated by reference, (y) clearly explain where the incorporated documents can be found, and (z) provide a clear cross-reference to the specific location where the information requested by this Item 13 can be found in the incorporated documents.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Creatd, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Creatd, Inc. (the Company) as of December 31, 2023, and the related consolidated statements of income and comprehensive loss, stockholders' deficit, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3, the Company has recurring net losses and negative cash flow from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Our opinion is not modified with respect to that matter.

Basis for Opinion

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

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

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

A handwritten signature in black ink that reads "Astra Audit & Advisory LLC".

We have served as the Company's auditor since 2024.

PCAOB Firm ID #6920
Tampa, Florida
January 21, 2025



ROSENBERG RICH BAKER BERMAN, P.A.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Creatd, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Creatd, Inc. (the "Company") as of December 31, 2022 and 2021, and the related statements of operations and comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, The Company had a significant accumulated deficit, significant net loss and net cash used in operating activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex



ROSENBERG RICH BAKER BERMAN, P.A.

To the Board of Directors and
Stockholders of Creatd, Inc.

judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill and Finite-Lived Intangible Assets Impairment Evaluation

As discussed in Note 2 to the financial statements, management conducts a goodwill impairment assessment on an annual basis and when events or changes in circumstances indicate that the carrying value of a reporting unit exceeds its fair value. The fair value of a reporting unit is determined through the use of the income approach using estimates of future cash flows attributable to the respective reporting units. As a result of the annual impairment assessment, the Company recognized approximately \$1.4 million of goodwill impairment related to its reporting units.

Additionally, as discussed in Note 2 to the financial statements, management evaluates the recoverability of acquired finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. 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 their use and eventual disposition. As a result of the intangible asset impairment assessment, the Company recognized approximately \$1.9 million of impairment related to finite-lived intangible assets.

We identified the impairment of Goodwill and finite-lived intangible assets as a critical audit matter because of significant judgments required by management to estimate the fair value, including forecasted cash flows, revenue growth rates and expectations for operating expenses. The Goodwill assessment also requires judgment related to the discount rate utilized and other significant valuation assumptions. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's cash flow estimates and the selection of cash flow multiples used in the income approach for valuing Goodwill.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of management's estimates of future cash flows, the selection of cash flow multiples for the Company's reporting units, and the evaluation of the discount rate for Goodwill assessments included the following, among others:

- We obtained an understanding of the controls over the assessment of Goodwill and intangible asset impairment, including those over qualitative assessments and the determination of fair value based on relevant cash flow forecasts.
- Tested the mathematical accuracy of the calculations and evaluated significant assumptions and the underlying data used by the Company by performing procedures to test the projected revenues, projected direct costs, and projected operating expenses by comparing them with the historical forecasted results of the respective entities' operations, evaluating the feasibility of generating revenues and cost-cutting strategies and assessing the impacts of internal and/or external economic factors.
- We used experienced personnel to evaluate the expertise, valuation assumptions and methodologies utilized by valuation professionals with specialized skills and knowledge engaged by the Company, and critically evaluated management's assumptions used in the valuations.



ROSENBERG RICH BAKER BERMAN, P.A.

To the Board of Directors and
Stockholders of Creatd, Inc.

Inventory

As discussed in Note 2 to the financial statements, inventories are stated at the lower of cost (first-in, first-out basis) or net realizable value and 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.

We identified the audit of inventory as a critical audit matter for the following reasons based on different aspects of the audit of inventory.

- (a) Existence of inventory – we encountered difficulty in gaining timely access to observe physical inventory counts at multiple locations or confirm existence in other locations. Certain counts could only be done virtually. These factors required the need for inventory roll back procedures, which were also complicated.
- (b) Valuation of inventory – (1) The determination of the proper allocation of inventory value to unit costs was complex and the Company lacked formal controls over this area; (2) The determination of inventory obsolescence required significant assumptions about expiration and spoilage or breakage.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the testing the existence and valuation of inventory included the following, among others:

- We obtained an understanding of the controls over inventory recognition, valuation and monitoring, including those related to allocation of unit costs, inventory obsolescence, and tracking of remote inventories.
- Tested the mathematical accuracy of the calculations and evaluated significant assumptions and the underlying data used by the Company in allocating unit costs by performing procedures to test the underlying value of inventory components in relation to historical bill of materials and finished goods observed during inventory counts. We also evaluated this information by performing our own independent allocations of predicted unit costs and comparing to Company estimates.
- We critically evaluated the assumptions and methodology employed by the Company in evaluating inventory obsolescence, including consideration of subsequent events, and assessing the reasonableness of estimates to historical data for spoilage or breakage.
- During inventory observations, we required live counts, ensured that count procedures were prepared and properly followed, the counting team member was adequately familiar with the inventory items to be counted, count locations were properly identified and tracked accurately, and observed the contents of certain boxes and observed all sides of palletized items.
- We tested the verifiability of inventory reports and tested detailed transactions for the inventory roll back procedures.

We have served as the Company's auditor since 2018.

Rosenberg Rich Baker Berman P.A.

Somerset, New Jersey

April 18, 2023, except for Note 12 and Note 15, *Reverse Stock Split*, as to which the date is January 21, 2025

Creatd, Inc.
Consolidated Balance Sheets

	December 31, 2023	December 31, 2022
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	<u>73,255</u>	<u>1,479,164</u>
Property and equipment, net	84,143	212,545
Intangible assets	-	22,783
Deposits and other assets	83,616	794,631
Operating lease right of use asset	1,923,112	2,054,265
Discontinued operations, net non-current assets	-	256,361
Total Assets	<u><u>\$ 2,164,126</u></u>	<u><u>\$ 4,819,749</u></u>
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 10,366,934	\$ 5,433,398
Deferred revenue	266,037	275,017
Convertible notes, net of debt discount and issuance costs	5,535,111	5,369,599
Current portion of operating lease payable	532,689	326,908
Note payable, net of debt discount and issuance costs	1,127,101	1,461,520
Deferred offering proceeds	65,808	-
Derivative liability	7,836,521	-
Stock Compensation Liability	449,376	-
Discontinued operations, net current liabilities	-	2,340,874
Total Current Liabilities	<u>26,179,577</u>	<u>15,207,316</u>
Non-current Liabilities:		
Note payable, less current portion	30,026	38,014
Operating lease payable	1,554,734	2,077,618
Total Liabilities	<u>27,764,337</u>	<u>17,322,948</u>
Commitments and contingencies (Note 10)		
Stockholders' Equity (Deficit)		
Preferred stock, \$0.001 par value, 20,000,000 shares authorized; 450 shares issued and outstanding	-	-
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	191,455,928	134,609,584
Less: Treasury stock, 187 shares	(78,456)	(78,456)
Accumulated deficit	(217,655,876)	(146,142,373)
Accumulated other comprehensive loss	(174,143)	(140,183)
Total Creatd, Inc. Stockholders' Deficit	<u>(26,452,039)</u>	<u>(11,751,350)</u>
Non-controlling interest in consolidated subsidiaries	851,828	(751,849)
Total Stockholders' Deficit	<u>(25,600,211)</u>	<u>(12,503,199)</u>
Total Liabilities and Stockholders' Deficit	<u><u>\$ 2,164,126</u></u>	<u><u>\$ 4,819,749</u></u>

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

Creatd, Inc.
Consolidated Statements of Operations and Comprehensive Loss

	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	808,315	2,633,088
Gross margin (loss)	<u>1,108,138</u>	<u>(309,761)</u>
Operating expenses		
Compensation	3,099,285	3,072,796
Research and development	362,013	951,414
Marketing	838,603	3,025,088
Stock based compensation	20,165,067	4,183,844
Impairment of intangible assets	13,334	137,296
General and administrative	<u>3,865,614</u>	<u>8,443,838</u>
Total operating expenses	<u>28,343,916</u>	<u>19,814,276</u>
Loss from operations	<u>(27,235,778)</u>	<u>(20,124,037)</u>
Other income (expenses)		
Other income	109,931	-
Interest expense	(884,692)	(817,070)
Accretion of debt discount and issuance cost	(5,671,843)	(4,660,952)
Change in derivative liability	(4,744,187)	3,729
Impairment of investment	-	(50,000)
Settlement of vendor liabilities	366,587	(265,717)
Loss on marketable securities	-	(11,742)
Loss on extinguishment of debt	-	(832,482)
Other expenses, net	<u>(10,824,204)</u>	<u>(6,634,234)</u>
Loss from continuing operations	(38,059,982)	(26,758,271)
Loss from discontinued operations	(934,546)	(8,918,044)
Loss before income tax provision	<u>(38,994,528)</u>	<u>(35,676,315)</u>
Income tax provision	<u>-</u>	<u>-</u>
Net loss	<u>\$ (38,994,528)</u>	<u>\$ (35,676,315)</u>
Net loss Attributable to noncontrolling interest arising from:		
Continuing Operations	\$ (35,435)	\$ (47,441)
Discontinued Operations	-	(3,335,603)
Net loss attributable to noncontrolling interest	<u>\$ (35,435)</u>	<u>\$ (3,383,044)</u>
Net Loss attributable to Creatd, Inc. arising from:		
Continuing Operations	\$ (38,959,093)	\$ (26,710,830)
Discontinued Operations	-	(5,582,441)
Net loss attributable to Creatd, Inc.	<u>(38,959,093)</u>	<u>(32,293,271)</u>
Deemed dividend	<u>(32,554,410)</u>	<u>(4,216,528)</u>
Net loss attributable to common shareholders	<u>\$ (71,513,503)</u>	<u>\$ (36,509,799)</u>
Comprehensive loss		
Net loss	\$ (38,994,528)	\$ (35,676,315)
Currency translation loss	(33,960)	(61,911)
Comprehensive loss	<u>\$ (39,028,488)</u>	<u>\$ (35,738,226)</u>
Per-share data		
Basic and diluted loss per share from continuing operations	\$ (0.60)	\$ (1.40)
Basic and diluted loss per share from discontinued operations	\$ (0.01)	\$ (0.26)
Basic and diluted loss per share	<u>\$ (0.61)</u>	<u>\$ (1.66)</u>
Weighted average number of common shares outstanding	<u>118,606,984</u>	<u>22,035,260</u>

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

Creatd, Inc.
Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the years ended December 31 2023 and 2022

	Series E Preferred Stock		Common Stock		Treasury stock		Additional	Accumulated	Non-Controlling	Other	Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Paid In Capital	Deficit	Interest	Comprehensive Income	Equity (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	-	-	-	-	(176)	(16,050)	-	-	-	-	(16,050)
Stock warrants issued with note payable	-	-	-	-	-	-	3,149,270	-	-	-	3,149,270
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	-	-	-	-	-	-	-	(32,293,271)	(3,383,044)	-	(35,676,315)
Balance, December 31, 2022	450	\$ -	78,125	\$ 78	(187)	\$ (78,456)	\$ 134,609,584	\$ (146,142,373)	\$ (751,849)	\$ (140,183)	\$ (12,503,199)
Stock based compensation	-	-	117,011	117	-	-	20,164,950	-	-	-	20,165,067
Shares issued for acquisition of non-controlling interest in consolidated subsidiaries	-	-	6,223	6	-	-	(1,389,118)	-	1,389,112	-	-

Exercise of warrants to stock	-	-	42,016	42	-	-	1,047,769	-	-	-	1,047,811
Shares issued with notes payable	-	-	19,250	19	-	-	191,787	-	-	-	191,806
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
Shares issued as consideration for note extension	-	-	60,659	61	-	-	497,189	-	-	-	497,250
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	(33,960)	(33,960)
Sale of minority interest in OG Collection Inc.	-	-	-	-	-	-	-	-	250,000	-	250,000
Warrants issued with debt	-	-	-	-	-	-	265,268	-	-	-	265,268
Deemed Dividend	-	-	5,459	6	-	-	32,554,404	(32,554,410)	-	-	-
Stock Compensation Liability	-	-	-	-	-	-	(449,376)	-	-	-	(449,376)
Net loss	-	-	-	-	-	-	-	(38,959,093)	(35,435)	-	(38,994,528)
Balance, December 31, 2023	450	\$ -	507,397	\$ 508	(187)	\$ (78,456)	\$ 191,455,928	\$ (217,655,876)	\$ 851,828	\$ (174,143)	\$ (25,600,211)

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

Creatd, Inc.
Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (38,994,528)	\$ (35,676,315)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	146,938	156,951
Impairment of investment	-	50,000
Impairment of intangible assets	13,334	130,096
Amortization of right of use asset	131,153	101,623
Accretion of debt discount and issuance cost	5,671,843	4,668,039
Stock-based compensation	20,165,067	4,183,844
Shares issued for in process research and development	-	40,994
Credit losses	22,540	32,500
Settlement of vendor liabilities	366,587	265,717
Change in fair value of derivative liability	4,744,187	(3,729)
Loss on marketable securities	-	11,742
Loss on extinguishment of debt	-	837,382
Non cash lease expense	-	274,784
Non-controlling interest in consolidated subsidiary	(35,435)	-
Net cash used in Discontinued Operations	(1,069,380)	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)
Deposits and other assets	711,014	(75,680)
Accounts payable and accrued expenses	4,933,535	3,486,925
Deferred revenue	(8,980)	68,905
Operating lease liability	(317,103)	(26,146)
Net Cash Used In Operating Activities	(3,248,666)	(16,805,429)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property and equipment	(18,537)	(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
Net investing cash flows from discontinued operations	-	(31,679)
Purchases of digital assets	-	(410,369)
Sale of digital assets	-	289,246
Net Cash Provided By Investing Activities	231,463	373,206
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercise of warrants	1,047,811	1,781,947
Net proceeds from issuance of notes	1,352,447	2,103,731
Repayment of notes	(2,129,524)	(2,505,566)
Proceeds from issuance of convertible notes	2,752,100	8,391,905
Repayment of convertible notes	(2,185,226)	(1,863,315)
Proceeds from issuance of common stock	1,727,143	5,722,300
Proceeds from issuance of preferred stock (Vocal)	65,804	-
Net financing cash flows from discontinued operations	(212,361)	(209,328)
Purchase of treasury stock	-	(16,050)
Net Cash Provided By Financing Activities	2,418,194	13,405,624
Effect of exchange rate changes on cash	(33,960)	(61,911)
Net Change in Cash	(632,969)	(3,088,510)
Total Cash - Beginning of period	706,224	3,794,734
Total Cash - End of Period	\$ 73,255	\$ 706,224
Cash - End of period - Continuing Operations	71,105	673,774
Cash End of period - Discontinued Operations	2,150	32,450

Total Cash - End of period

\$	73,255	\$	706,224
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SUPPLEMENTARY CASH FLOW INFORMATION:

Cash Paid During the Year for:

Income taxes

\$	-	\$	-
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Interest

\$	884,692	\$	650
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SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Beneficial conversion feature on convertible notes

\$	-	\$	2,008,227
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Warrants issued with debt

265,268	3,149,270
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Shares issued with debt

283,407	409,945
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Recognition of Right-of-use asset and corresponding operating lease liability

-	2,412,221
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Common stock and warrants issued upon conversion of notes payable

1,989,863	1,061,088
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The accompanying notes are an integral part of these consolidated financial statements.

Creatd, Inc.

December 31, 2023 and 2022

Notes to the Consolidated Financial Statements

Note 1 – Organization and Operations

Creatd, Inc., formerly Jerrick Media Holdings, Inc. (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 June 26, 2017, the Company filed to form Abacus Pty Ltd, an Australian-based entity, as a wholly-owned subsidiary of the Company.

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 its 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.

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.

On September 16, 2021, the Company filed a Certificate of Incorporation with the State of Delaware to form OG Gallery, Inc, a wholly owned subsidiary of the Company.

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 its total membership interests to 50%. Dune, Inc., has been consolidated due to the Company’s ownership of 50% voting control.

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 consolidated statements of operations and comprehensive loss.

On April 24, 2022, the Company filed a certificate of amendment with the Secretary of State of the State of Delaware to change the name of OG Gallery, Inc. to “OG Collection, Inc.”

On August 1, 2022, the Company acquired 51% of the membership interests of Orbit Media LLC (“Orbit”), 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 consolidated statements of operations and comprehensive loss.

On September 13, 2022, the Company acquired 100% of the membership interests of Brave Foods, LLC (“Brave”), 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 consolidated statements of operations and comprehensive loss.

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 its total ownership to 95%.

On January 11, 2023, the Company filed a membership agreement to form CEOBLOC, LLC a wholly owned subsidiary of the Company.

On January 25, 2023, the Company acquired an additional 24.3% equity interest in Dune, Inc. bringing its total ownership to 75%.

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 its total membership interests to 56%.

On February 7, 2023, the Company acquired an additional 11% equity interest in Dune, Inc. bringing its total ownership to 85%.

On May 30, 2023, the Company acquired an additional 11% equity interest in Dune, Inc. bringing its total ownership to 96%.

On June 30, 2023, the Company acquired an additional 10% of the membership interests of Plant Camp, LLC, bringing its total ownership to 100%.

On July 28, 2023, the Company acquired an additional 17.5% of the membership interests of Orbit Media, LLC, bringing its total membership interests to 74%.

On July 31, 2023, the Company filed a Certificate of Incorporation with the state of Nevada to form Vocal, Inc., a wholly owned subsidiary. Vocal's assets, which had been developed directly under the Company since 2016, were reorganized into this new entity. This restructuring marked a significant step in the growth and evolution of Vocal, which began as part of the Company's business strategy to create a digital publishing platform supporting creators

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 17.5% 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 ("U.S. GAAP").

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 consolidated 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 consolidated 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 12 – Discontinued Operations for information on previously consolidated entities that were discontinued in 2023.

Variable Interest Entities

Management performs an ongoing assessment of its noncontrolling interests from investments in unrelated entities to determine if those entities are variable interest entities (VIEs), and if so, whether the Company is the primary beneficiary. If an entity in such a transaction, by design, meets the definition of a VIE and the Company determines that it, or a consolidated subsidiary is the primary beneficiary, the Company will include the VIE in its consolidated financial statements. If such an entity is deemed to not be consolidated, the Company records only its investment in equity securities as a marketable security or investment under the equity method, as applicable.

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 Company assumptions in determining the fair value of investments)

The Company's Level 1 assets/liabilities include cash, accounts receivable, accounts payable, 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, 2023 and 2022 approximate their carrying value as reflected in the consolidated 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, marketable debt securities, 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, 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)
Liabilities:				
Stock Compensation Liability	\$ 449,376	\$ -	\$ -	\$ 449,376
Derivative liabilities	\$7,836,521	\$ -	\$ -	\$ 7,836,521
Total Liabilities	\$8,285,897	\$ -	\$ -	\$ 8,285,897

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

	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	\$ -	\$ -	\$ -	\$ -
Total Liabilities	\$ -	\$ -	\$ -	\$ -

Our marketable equity securities are publicly traded stocks measured at fair value using quoted prices for identical assets in active markets and classified as Level 1 within the fair value hierarchy. Marketable equity securities as of December 31, 2023 and 2022 are \$0.

The change in net realized depreciation on equity trading securities that have been included in other expenses for the year ended December 31, 2023 and 2022 was \$0 and \$11,742, respectively.

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			Total
	Level 1	Level 2	Level 3	
Derivative liabilities as January 1, 2022	\$ -	\$ -	\$ -	\$ -
Addition	-	-	100,532	100,532
Changes in fair value	-	-	(3,729)	(3,729)
Extinguishment	-	-	(96,803)	(96,803)
Derivative liabilities as December 31, 2022	-	-	-	-
Addition	-	-	12,580,708	12,580,708
Changes in fair value	-	-	(4,744,187)	(4,744,187)
Extinguishment	-	-	-	-
Derivative liabilities as December 31, 2023	\$ -	\$ -	\$ 7,836,521	\$ 7,836,521

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, 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:				
Intangible assets	\$ -	\$ -	\$ -	\$ -
Goodwill	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -

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

	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:				
Equity investments, at cost	\$ -	\$ -	\$ -	\$ -
Intangible assets	230,084	-	-	230,084

Goodwill	46,460	-	-	46,460
Total assets	\$ 276,544	\$ -	\$ -	\$ 276,544

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 and comprehensive loss.

Impairment of Long-lived Assets Including Acquired Intangible Assets

The Company evaluates 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 years ended December 31, 2023 and 2022, the Company recorded an impairment charge of \$13,334 and \$3,464,135 (with \$3,326,839 classified in discontinued operations), respectively for intangible assets.

Acquired finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. The Company routinely reviews the remaining estimated useful lives of property and equipment and finite-lived intangible assets. If the Company changes 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 and 2022, the Company has \$0 and \$22,783, respectively, intangible assets on its consolidated balance sheets. Amortization expense was \$0 and \$483,484 for the years 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 an impairment charge of \$0 and \$12,691 respectively, with the 2022 impairment charge being classified with the loss from discontinued operations

Commitments and Contingencies

The Company follows subtopic 450-20 of the Financial Accounting Standards Board (“FASB”) 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 the 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 loss. 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 (“ASC”). 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 statements of operations and comprehensive loss 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 consolidated balance sheets as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the consolidated balance sheet dates.

The Company adopted Section 815-40-15 of the FASB ASC ("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 in the Company's outstanding Equity Line of Credit 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 consolidated 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 and comprehensive loss.

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 customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company determines 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, the Company satisfies a performance obligation.

Revenue disaggregated by revenue source for the years ended December 31, 2023 and 2022 consists of the following:

	Years Ended December 31,	
	2023	2022
Agency (Managed Services & Branded Content)	\$ 759,348	\$ 811,165
Platform (Creator Subscriptions)	1,123,242	1,511,594
Other Revenue	33,863	568
	<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 years ended December 31, 2023 and 2022 consists of the following:

	Years Ended December 31,	
	2023	2022
Products and services transferred over time	\$ 1,882,590	\$ 2,322,759
Products transferred at a point in time	33,863	568
	<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 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 12 – 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 12 – 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, the Company bills a branded content client and records the receivable once milestones are reached that are set in the agreement. The Company makes estimates for the allowance for doubtful accounts and allowance for unbilled receivables based upon its assessment of various factors, including historical experience, the age of the accounts receivable balances, credit quality of its customers, current economic conditions, and other factors that may affect its ability to collect from customers.

Effective January 1, 2023, the Company adopted the provisions of ASC 326, *Financial Instruments – Credit Losses*, which requires the measurement of credit losses based on an expected loss model, known as the Current Expected Credit Losses (CECL) model. The CECL model replaces the incurred loss methodology and requires the Company to estimate credit losses over the life of its receivables, considering historical data, current conditions, and reasonable and supportable forecasts.

During the years ended December 31, 2023 and 2022, the Company recorded \$22,540 and \$32,500, respectively as a credit loss.

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. The inventory balance presented in the accompanying consolidated balance sheets consists solely of finished goods that are ready for sale. 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 \$399,058 respectively for product obsolescence.

Stock-Based Compensation

The Company recognizes compensation expense for all equity-based payments granted in accordance with 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	1,972,602	32,524
Convertible notes	452,775	55,647
Totals	<u>2,570,422</u>	<u>97,216</u>

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 became effective for fiscal years beginning after December 15, 2021. During the years ended December 31, 2023 and 2022, the Company recognized a deemed dividend of \$32,554,410 and \$3,187,906 from the modification of warrants, respectively.

In June 2016, the FASB issued Accounting Standards Update (“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 adoption of the guidance did not have a material impact on the Company’s consolidated financial statements.

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. The adoption of the guidance did not have a material impact on the Company’s consolidated financial statements.

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. There was 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 \$217.7 million, a net loss of \$39.0 million and net cash used in operating activities of \$3.2 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 consolidated 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 – Property and Equipment

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

	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
	698,537	680,000
Less: Accumulated Depreciation	(614,394)	(467,455)
	\$ 84,143	\$ 212,545

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

Note 5 – Notes Payable

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

	December 31, 2023	December 31, 2022	Interest Rate	Maturity Date
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	-%	November 2022
The Fourth May 2022 Loan Agreement	-	31,701	-%	November 2022
The Second June 2022 Loan agreement	-	39,500	-%	October 2022
The First August 2022 Loan Agreement	-	130,615	14%	July 2023
The Second August 2022 Loan Agreement	-	387,950	-%	January 2023
The First September 2022 Loan Agreement	-	73,236	-%	September 2023
The Second September 2022 Loan Agreement*	453,625	763,625	-%	December 2023
The Third September 2022 Loan Agreement*	2,964	256,964	-%	October 2023
The November 2022 Loan	-	68,211	-%	June 2023
The April 2023 Loan Agreement*	41,213	-	18%	April 2023
The June 2023 Loan Agreement*	2,500	-	-%	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	-	-%	February 2025
The First September 2023 Loan Agreement	34,500	-	15%	June 2024
The Second September 2023 Loan Agreement	112,274	-	15%	June 2024
	1,414,488	1,997,802		
Less: Debt Discount	(257,361)	(314,108)		
	1,157,127	1,683,694		
Less: Current Debt	(1,127,101)	(1,461,520)		
Less: Debt from Discontinued Operations	-	(184,160)		
Total Long-Term Debt	\$ 30,026	\$ 38,014		

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

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.

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 year 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 year 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 maturity date of the Second June 2022 Note is October 15, 2022 (the “Second June 2022 Maturity Date”).

During the year ended December 31, 2023, this note was assigned to Omega Eats, LLC as part of the Assignment and Assumption of Brave and Basis. See Note 12 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these consolidated financial statements.

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 year 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, 2023 (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. The Company expensed \$53,285 in 2023 and \$257,215 in 2022, as a result of the amortization of the debt discount.

During the year 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 year ended December 31, 2023, the First September 2022 Note was assigned to Omega Eats, LLC as part of the Assignment and Assumption of Brave and Basis. See Note 12 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these consolidated financial statements.

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 payment 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. The Company expensed \$178,694 in 2023 and \$78,166 in 2022, as a result of the amortization of the debt discount.

As of December 31, 2023, the Loan is in default. During the years ended December 31, 2023 and 2022, the Company repaid \$310,000 and \$112,375 in principal, respectively.

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. The Company expensed \$61,358 in 2023 and \$142,943 in 2022, as a result of the amortization of the debt discount.

As of December 31, 2023, the Loan is in default.

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 year 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 default 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.

The April 2023 Lender was also issued 1,300 warrants with an exercise price of \$100. These warrants have a relative fair value of \$54,329. See Note 9 – Stockholders’ Equity for further detail on warrant issuances.

As of December 31, 2023, the Loan is in default.

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 June 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 is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$500 in 2023 as a result of the amortization of the debt discount.

During the year 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 \$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 Company expensed \$30,000 in 2023 as a result of the amortization of the debt discount.

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, 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”).

The First July 2023 Lender was also issued 4,500 shares of common stock with a relative fair value of \$106,139. See Note 9 – Stockholders’ Equity for further detail on warrant and stock issuances.

During the year 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 April 10, 2024 (the “Third July 2023 Maturity Date”). In conjunction with the Third July 2023 Note, the Company also issued 13,063 warrants with a relative fair value of \$117,514 and 4,000 shares of common stock as commitment shares with a fair value of \$23,067. See Note 9 – Stockholders’ Equity for further detail on warrant and stock issuances.

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 expensed \$34,028 in 2023 as a result of the amortization of the debt discount.

The Company will also accrue interest at the rate of 12% per annum on the outstanding balance of the note. The Principal Amount and the Interest shall be due and payable in six equal monthly payments (each, a “Monthly Payment”) of \$45,416, 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”).

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 year ended December 31, 2023, the Company repaid \$98,451 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 First September 2023 Loan Agreement accrues interest at a rate of 15% per annum, and has a default interest rate of 22%.

The Company recorded a \$6,750 debt discount relating to an original issue discount and debt issuance costs of \$5,000. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$2,469 in 2023 as a result of the amortization of the debt discount. The Principal Amount shall be due and payable in full on the Maturity Date.

During the year 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 Loan 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.

Note 6 – 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%	\$ 1,000(*)	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	-	300,000	10%	-(*)	October-23	-	-

Loan Agreement								
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(*)	April-23	1,125	\$ 100.00
The January								
2023								
Convertible								
Loan Agreement**	847,500	-	- %	\$	12.50(*)	June-23	-	-
The February								
2023								
Convertible								
Loan Agreement**	1,387,500	-	- %	\$	12.50(*)	June-23	-	-
The April 2023								
Loan Agreement	109,250	-	10%		(*)	May-24	-	-
The First May								
2023 Loan Agreement	213,878	-	10%	\$	5.00	May-24	4,400	\$ 62.50
The June 2023								
Loan Agreement	50,600	-	-%	\$	5.00(*)	December-23	173	\$ 100.00
The July 2023								
Loan Agreement	143,000	-	10%	\$	(*)	July-24	-	-
The October								
2023 Loan Agreement	111,111	-	-%	\$	8.00(*)	October-23	-	-
	5,858,998	6,810,992						
Less: Debt								
Discount	(323,887)	(1,426,728)						
Less: Debt								
Issuance								
Costs	-	(14,665)						
	\$ 5,535,111	\$ 5,369,599						

(*) 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 consolidated 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”) at a rate equal to 75% of the average of the three lowest trading prices of the Company’s common stock during the ten trading days immediately prior to the respective conversion date.

The Company recorded a \$15,163 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 Company expensed \$4,183 in 2023 and \$10,980 in 2022, as a result of the amortization of the debt discount.

During the year ended December 31, 2022, the Company repaid \$65,071 in principal and converted \$12,783 in principal and interest into 80 shares of the Company’s common stock.

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

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 \$.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.

The Company expensed \$80,299 in 2022, as a result of the amortization of the debt discount.

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.

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. The Company expensed \$0 in 2023 and \$214,981 in 2022 as a result of the amortization of the debt discount.

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 year 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. Comparatively, in the year ended December 31, 2022, the Company repaid \$185,714 in principal.

As of December 31, 2023, the notes included in the July 2022 Convertible Note Offering were in default.

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") at a rate equal to 75% of the average of the three lowest trading prices of the Company's common stock during the ten trading days immediately prior to the respective conversion date.

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 year ended December 31, 2023, the Company repaid the First October 2022 Note in full along with 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. The Company expensed \$469,274 in 2023 and \$3,521 in 2022 as a result of the amortization of the debt discount.

During the year 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. The Company expensed \$655,217 in 2023 and \$1,011,433 in 2022 as a result of the amortization of the debt discount.

During the year ended December 31, 2022, the lender converted \$800,000 into 8,000 shares of the Company's common stock.

During the year 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. The Company expensed \$642,857 in 2023 and \$107,143 in 2022 as a result of the amortization of the debt discount.

During the year ended December 31, 2023, the December 2022 Lender converted \$500,000 into 5,000 shares of the Company's common stock.

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 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$847,500 in 2023 as a result of the amortization of the debt discount.

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 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 August 1, 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 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$1,387,500 in 2023 as a result of the amortization of the debt discount.

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 debt issuance costs. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$4,250 in 2023 as a result of the amortization of the debt discount.

During the year ended December 31, 2023, the Company repaid the March 2023 Note in full along with \$12,925 of accrued interest and \$25,377 of prepayment penalties.

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 \$83,065 debt discount relating to a \$5,000 original issue discount and \$78,065 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$58,710 in 2023 as a result of the amortization of the debt discount.

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 with a relative fair value of \$90,349 and 750 restricted shares of the Company’s common stock with a relative fair value of \$16,090.

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 \$37.50 per share.

The Company recorded a \$275,000 debt discount relating to a \$60,000 original issue discount and \$215,000 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$91,667 in 2023 as a result of the amortization of the debt discount.

During the year ended December 31, 2023, the Company repaid \$61,122 in principal.

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 23, 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 \$61,363 debt discount relating to an \$11,250 original issue discount and \$50,113 relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$61,363 in 2023 as a result of the amortization of the debt discount.

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

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. Mr. Frommer was also issued 173 warrants with an exercise price of \$20 and a relative fair value of \$3,076. See Note 9 – Stockholders’ Equity for further detail on warrant issuances.

During the year ended December 31, 2023, the Company repaid \$35,500 in principal.

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 24, 2024 (the “July 2023 Maturity Date”).

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 \$143,000 debt discount relating to relating to the fair value of embedded derivative components of the note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$59,583 in 2023 as a result of the amortization of the debt discount.

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 October 2023 Lender was also issued 10,000 shares of the Company’s common stock with a relative fair value of \$46,512. The October 2023 Note is convertible into common stock at a conversion price of \$8.00 per share.

The Company recorded a \$111,111 debt discount relating to an original issue discount, issuance costs, and derivative liability. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost. The Company expensed \$18,519 in 2023 as a result of the amortization of the debt discount.

Note 7 – Related Party

Officer compensation

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

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. Mr. Frommer was also issued 173 warrants with an exercise price of \$20 and a relative fair value of \$3,076. See Note 9 – Stockholders’ Equity for further detail on warrant issuances.

During the year ended December 31, 2023, the Company repaid \$35,500 in principal.

Note 8 – 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 years ended December 31, 2023 and 2022. For the terms of the conversion features see Note 6. The Company had no derivative assets measured at fair value on a recurring basis as of December 31, 2023 and 2022.

The Company utilizes a Monte Carlo simulation model for the make whole feature in the Company’s outstanding Equity Line of Credit 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 and comprehensive loss.

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			Total
	Level 1	Level 2	Level 3	
Derivative liabilities as January 1, 2022	\$ -	\$ -	\$ -	\$ -
Addition	-	-	100,532	100,532
Changes in fair value	-	-	(3,729)	(3,729)
Extinguishment	-	-	(96,803)	(96,803)
Derivative liabilities as December 31, 2022	-	-	-	-
Addition	-	-	12,580,708	12,580,708
Changes in fair value	-	-	(4,744,187)	(4,744,187)
Extinguishment	-	-	-	-
Derivative liabilities as December 31, 2023	\$ -	\$ -	\$ 7,836,521	\$ 7,836,521

Note 9 – 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

During the year ended December 31, 2022, the Company issued 615 shares of its restricted common stock to settle outstanding vendor liabilities of \$138,125. In connection with this transaction the Company also recorded a loss on settlement of vendor liabilities of \$265,717.

On January 6, 2022, the Company issued 18 shares of its restricted common stock to consultants in exchange for services at a fair value of \$19,736.

On February 24, 2022, the Company issued 100 shares of its restricted common stock to consultants in exchange for four months of services at a fair value of \$69,000. These shares were recorded as common stock issued for prepaid services and will be expensed over the life of the consulting contract to share based payments. During the nine months ended September 30, 2022 the Company recorded \$69,000 to share based payments.

On March 1, 2022, the Company entered into securities purchase agreements with twenty-eight accredited investors whereby, at the closing, such investors purchased from the Company an aggregate of 2,803 shares of the Company's common stock and (ii) 2,803 warrants to purchase shares of common stock, for an aggregate purchase price of \$2,452,550. Such warrants are exercisable for a term of five-years from the date of issuance, at an exercise price of \$875 per share. The Company has recorded \$40,000 to stock issuance costs, which are part of Additional Paid-in Capital.

On March 7, 2022, the Company entered into a securities purchase agreement (the "Purchase Agreement") with thirteen accredited investors resulting in the raise of \$2,659,750 in gross proceeds to the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell in a registered direct offering an aggregate of 3,040 shares of the Company's common stock together with warrants to purchase an aggregate of 3,040 shares of Common Stock at an exercise price of \$875 per share. The warrants are immediately exercisable and will expire on March 9, 2027. The Company has recorded \$75,000 to stock issuance costs, which are part of Additional Paid-in Capital.

During the three months ended March 31, 2022, the Company issued 15 shares of its restricted common stock to consultants in exchange for services at a fair value of \$8,364.

On April 5, 2022 the Company issued 370 shares of its restricted common stock to officers of the company in exchange for services at a fair value of \$192,400.

On June 24, 2022, the Company issued 100 shares of its restricted common stock to consultants in exchange for four months of services at a fair value of \$37,200. These shares were recorded as common stock issued for prepaid services and will be expensed over the life of the consulting contract to share based payments. During the nine months ended September 30, 2022 the Company recorded \$2,405 to share based payments.

During the three months ended June 30, 2022, the Company issued 59 shares of its restricted common stock to consultants in exchange for services at a fair value of \$24,001.

On September 15, 2022, the Company entered into a securities purchase agreement with five accredited investors resulting in the raise of \$796,000 in gross proceeds to the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell in a registered direct offering an aggregate of 8,000 shares of the Company's common stock together with warrants to purchase an aggregate of 8,000 shares of Common Stock at an exercise price of \$100 per share. The warrants are immediately exercisable and will expire on September 15, 2027. The Company has recorded \$75,000 to stock issuance costs, which are part of Additional Paid-in Capital.

During the three months ended September 30, 2022, the Company issued 100 shares of its restricted common stock to consultants in exchange for prepaid services at a fair value of \$34,900.

During the three months ended September 30, 2022, the Company issued 214 shares of its restricted common stock to consultants in exchange for services at a fair value of \$22,892.

During the three months ended December 31, 2022, the Company issued 223 shares of its restricted common stock to consultants in exchange for services at a fair value of \$44,894.

During the year ended December 31, 2022, the company repurchased 176 shares of common stock for \$16,050.

On January 17, 2023, the Company issued 227 shares pursuant to a conversion of \$51,132 in convertible notes at a price of \$225.25 per share.

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 January 25, 2023, the Company issued 200 shares of common stock to acquire an additional 24% of Dune, Inc.

On February 7, 2023, the Company issued 2,002 shares of common stock to acquire an additional 11% of Dune, Inc.

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 \$18,085,747.

On February 10, 2023, the Company issued 8,667 shares of its common stock pursuant to a conversion of \$866,650 in convertible notes at a price of \$100 per shares

On February 13, 2023, the Company issued 5,000 shares of its common stock pursuant to a conversion of \$500,000 in convertible notes at a price of \$100 per share.

On February 13, 2023, the Company issued 200 shares of its common stock to acquire an additional 51% of WHE Agency, Inc.

On February 13, 2023, the Company issued 250 shares of its common stock to acquire an additional 5% of Orbit Media, LLC.

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.

Between January 25, 2023 and March 13, 2023, the Company issued 7,367 shares of common stock pursuant to the exercise of 7,367 warrants at an exercise price of \$100 per share for gross proceeds of \$736,810.

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 1,350 shares of its restricted common stock to consultants in exchange for services at a fair value of \$76,950.

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 \$16,090 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 \$223,734 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 \$50,600.

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 \$106,139 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 \$14,874 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 \$23,067 as commitment shares pursuant to a promissory note.

On August 18, 2023, The Company commenced a Regulation CF offering to raise funds at the subsidiary level by issuing convertible preferred stock in Vocal, Inc., a wholly-owned subsidiary of Creatd, Inc. As of December 31, 2023, the Company had sold 10,040 shares of preferred stock for net proceeds of \$65,804. The offering closed in February 2024, with a total of 12,204 shares sold. Prior to this offering, a total of 100,000,000 shares were issued and outstanding, owned by the Company.

The investors had the right to cancel their investment prior to the February 2024 closing, therefore the net proceeds of \$65,804.27 received as of December 31, 2023 were classified as "Deferred offering proceeds" on the Consolidated Balance Sheets.

The preferred stock issued carries limited rights, including no voting rights unless converted into common stock, a fixed liquidation preference, a quarterly dividend right based on the subsidiary's GAAP net revenues, and a redemption right exercisable after five years at a fixed face value. The preferred stock converts into common stock at a conversion price of \$0.60.

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 \$8.50 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 \$46,512 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 \$117,474 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 assumptions used for options granted during the twelve months ended December 31, 2023 and 2022, are as follows:

	December 31, 2023
Exercise Price	15
Expected dividends	0%
Expected volatility	180.97%
Risk free interest rate	4.40%
Expected life of option	5 years

	December 31, 2022
Exercise Price	550 - 950
Expected dividends	0%
Expected volatility	165.38% - 166.48%
Risk free interest rate	2.69% - 2.95%
Expected life of option	5 years

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

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Balance – December 31, 2021 – outstanding	5,805	3,535.00	4.71
Granted	3,880	690.00	5.00
Exercised	-	-	-
Forfeited/Cancelled	(868)	6,780.00	-
Balance – December 31, 2022 – outstanding	8,817	2,025	4.29
Granted	136,000	15.00	10.01
Exercised	-	-	-
Forfeited/Cancelled	-	-	-
Balance – December 31, 2023 – outstanding	144,817	135.00	9.31
Balance – December 31, 2023 – exercisable	7,555	2,230.38	3.27

Option Outstanding			Option Exercisable		
Weighted Average 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	144,817	9.31	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 \$892,242, for the year ended December 31, 2023.

As of December 31, 2023, there was \$1,239,912 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 0.58 years.

During the year ended December 31, 2023, the Company issued 136,000 stock options with an exercise price of \$15.00, a vesting date of August 1, 2024, and an expiration date of September 9, 2028.

As of December 31, 2023, the Company had exceeded its authorized share count on a fully diluted basis due to certain provisions in its outstanding convertible debt. Consequently, stock options and other equity-based awards that were previously classified as equity have been reclassified as a liability in accordance with ASC 718. Under the provisions of ASC 718-10-25-15, awards that cannot be settled in shares due to an insufficient number of authorized shares must be accounted for as a liability until the authorized share count is increased.

The Company has remeasured the fair value of the liability-classified stock options as of December 31, 2023, and recorded a Stock Compensation Liability of \$449,372 on its consolidated balance sheets.

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 assumptions used for warrants granted during the twelve months ended December 31, 2023 and 2022, are as follows:

	December 31, 2023
Exercise Price	10 - 385
Expected dividends	0%
Expected volatility	179.31% - 187.30%
Risk free interest rate	3.52% - 4.81%
Expected life of warrants	5 years
	December 31, 2022
Exercise Price	100 - 3,000
Expected dividends	0%
Expected volatility	164.34% - 175.30%
Risk free interest rate	2.81% - 3.75%
Expected life of warrants	5-5.5 years

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)	2,365.00
Balance – December 31, 2022 – outstanding	32,524	1,471.05
Granted	1,983,234	4.89
Exercised	(42,018)	36.39
Forfeited/Cancelled	(1,138)	0.00
Balance – December 31, 2023 – outstanding	1,972,602	17.92
Balance – December 31, 2023 – exercisable	1,972,602	17.92

Warrants Outstanding			Warrants Exercisable		
Weighted Average Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (in years)
17.92	1,972,602	4.15	17.92	1,972,602	4.15

During the year ended December 31, 2022, the company granted warrant holders 10,494 warrants to exercise existing warrants. A deemed dividend of \$3,187,906 was recorded to the Statements of Operations and Comprehensive Loss. In addition, deemed dividends for the year ended December, 31, 2022 of \$1,028,622 were in relation to the trigger of down round provision in outstanding warrants.

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 with a fair value of \$2,543,194 to exercise existing warrants.

A deemed dividend of \$32,554,410 was recorded to the Consolidated Statements of Operations and Comprehensive Loss, of which \$3,004,782 as in relation to the issuance of new warrants and \$29,549,628 was 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 with a fair value of \$265,268 were issued with convertible notes and promissory notes.

During the year ended December 31, 2023, a total of 48,588 warrants with a fair value of \$461,588 were issued with the sale of common stock.

As of December 31, 2023, the Company had exceeded its authorized share count on a fully diluted basis. Due to the insufficient number of authorized shares available to settle outstanding warrants, the Company determined that all outstanding warrants should be accounted for as derivative liabilities in accordance with ASC 815 – Derivatives and Hedging.

The fair value of the warrants were remeasured as of December 31, 2023, and a Derivative Liability of \$6,370,621 was recorded on the consolidated balance sheet.

Note 10 – 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. As of December 31, 2023 and 2022, the Company had a balance of \$191,360 accrued for Miss Skube, which is included within accounts payable and accrued liabilities on the consolidated balance sheets.

Subsequent to December 31, 2023, the Company has settled this matter. See Note 15 for additional detail on subsequent settlement.

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, and was awaiting a response as of December 31, 2023.

The Company accrued \$990,000 in principal and \$119,614 in interest in 2022, and \$0 in additional principal and \$178,200 in interest in 2023. As of December 31, 2023, there was \$990,000 in outstanding principal, which is included in convertible notes net of debt discount and issuance costs on the consolidated balance sheets and \$297,814 in outstanding interest, which is included within accounts payable and accrued liabilities on the consolidated balance sheets.

Subsequent to December 31, 2023, the Company has settled this matter. See Note 15.

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. The Company does not expect the Corporate AMT to have a material impact on its 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. Its corporate headquarters consists of a total of 8,000 square feet and is located at 419 Lafayette Street, 6th Floor, New York, NY, 10003. The current lease term is 7 years commencing May 1, 2022. The total amount remaining under this lease is \$2,436,374.

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, which is included within

impairment of intangible assets on the consolidated statements of operations and comprehensive loss. 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 December 31, 2023, the Company is in breach of this lease agreement and owes \$30,108 in rent, which is included in accounts payable and accrued liabilities on the consolidated balance sheets. The Company vacated this office on May 1, 2022.

Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value is the Company's incremental borrowing rate, estimated to be 12.5%, as the interest rate implicit in most of its leases is not readily determinable. Operating lease expense is recognized on a straight-line basis over the lease term.

During the years ended December 31, 2023 and 2022, the Company recorded \$464,183 and \$590,100 as operating lease expense which is included in general and administrative expenses on the consolidated statements of operations and comprehensive loss, respectively.

The components of the lease expense were as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating lease cost	\$ 464,183	\$ 398,498
Short term lease cost	-	191,602
Total net lease cost	\$ 464,183	\$ 590,100

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating lease payments	323,292	206,944
Weighted average remaining lease term (in years):	6.25	6.02
Weighted average discount rate:	12.50%	12.50%

Operating right-of-use assets are summarized below.

	Year Ended December 31, 2023	Year Ended December 31, 2022
Office Lease	\$ 2,412,221	\$ 2,412,221
Less accumulated amortization	(489,109)	(357,956)
Right-of-use, net	\$ 1,923,112	\$ 2,054,265

Operating lease liabilities are summarized below

	Year Ended December 31, 2023	Year Ended December 31, 2022
Office Lease	\$ 2,087,423	\$ 2,404,526
Less: current portion	(532,689)	326,908

Long term portion	\$	1,554,734	\$	2,077,618
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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	189,821
Total	2,884,429
Less imputed interest	(797,006)
PV of Payments	\$ 2,087,423

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 prescribed 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, the Company's 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.

As of December 31, 2022, the Company had an accrued severance balance of \$415,208 for Ms. Weisberg as part of its accounts payable and accrued expenses, and as of December 31, 2023, there was no remaining balance.

Note 11 – 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. The Company used 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. The goodwill is non-tax-deductible and non-amortizable.

During 2023, Denver Bodega was acquired by Omega Eats, LLC. See Note 12 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these consolidated 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 a 17.5% 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	<u>119,719</u>
Liabilities assumed:	
Accounts payable and accrued expenses	1,315
Notes payable	75,000
Total liabilities assumed	<u>76,315</u>
Net assets acquired	43,404
Excess purchase price	<u>\$ 106,596</u>

The following table provides a summary of the preliminary 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	<u>\$ 106,596</u>

The goodwill represents the assembled workforce, acquired capabilities, and future economic benefits resulting from the acquisition. The Company used 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. The goodwill is non-tax-deductible and non-amortizable.

During 2023, Brave Foods, LLC was acquired by Omega Eats, LLC. See Note 12 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these consolidated financial statements.

Note 12 – 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, WHE Agency, 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 statements of operations and comprehensive loss as discontinued operation.

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

Discontinued Operations Consolidated Balance Sheets

	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
Investment from Parent	-	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 (Deficit)	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 Statements 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 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	175,822	1,284,048
Total operating expenses	889,046	7,904,255
Loss from operations	(1,110,624)	(8,907,226)
Other income (expenses)		
Other income	-	98
Interest expense	(7,830)	(3,981)
Accretion of debt discount and issuance cost	-	(7,087)
Settlement of vendor liabilities	183,908	-
Other income (expenses), net	176,078	(10,970)
Loss before income tax provision	(934,546)	(8,918,196)
Income tax provision	-	-
Net Loss	(934,546)	(8,918,196)
Non-controlling interest in net loss	-	3,335,603
Net Loss attributable to Creatd, Inc.	\$ (934,546)	\$ (5,582,593)

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 \$7,904,255 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 \$8,907,226 for the year ended December 31, 2022.

Note 13 – Segment Information

The Company operates in four reportable segments: Creatd Labs, Creatd Ventures, Created Studios, and Creatd Partners. The Company's segments were determined based on the economic characteristics of the Company's products and services, internal organizational structure, the manner in which operations are managed and the criteria used by the Chief Operating Decision Maker (CODM) to evaluate performance, which is generally the segment's operating losses.

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, the Company tailors its digital content offerings to meet evolving market demands, ensuring a competitive edge. This strategic integration of technology and data underscores its commitment to driving growth and sustaining its market position.

The following tables present certain financial information related to the Company's reportable segments and Corporate. Please note that the segment information provided for 2022 includes activity from Discontinued Operations. See Note 12 – Discontinued Operations for more information on the impact of the discontinuation of this entity on these consolidated financial statements.

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	-	-	-	-	83,616	83,616
Intangible assets	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
All other assets	65,850	-	444	-	2,014,216	2,080,510
Total Assets	<u>\$ 65,850</u>	<u>\$ -</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 2,097,832</u>	<u>\$ 2,164,126</u>
Accounts payable and accrued liabilities	\$ 1,435,902	\$ -	\$ 10,250	\$ -	\$ 8,920,782	\$10,366,934
Note payable, net of debt discount and issuance costs	142,299	-	-	-	984,802	1,127,101
Deferred revenue	266,037	-	-	-	-	266,037
All other Liabilities	65,808	-	-	-	15,938,457	16,004,265
Total Liabilities	<u>\$ 1,910,046</u>	<u>\$ -</u>	<u>\$ 10,250</u>	<u>\$ -</u>	<u>\$25,575,704</u>	<u>\$27,764,337</u>

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	-	-	-	-	2,973,034	2,973,034
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	-	-	-	-	7,774,125	7,774,125
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	808,315	-	-	-	-	808,315
Gross margin	<u>1,077,269</u>	<u>-</u>	<u>30,869</u>	<u>-</u>	<u>-</u>	<u>1,108,138</u>
Compensation	286,320	-	167,808	-	2,645,157	3,099,285
Research and development	362,013	-	-	-	-	362,013
Marketing	820,778	-	-	-	17,825	838,603
Stock based compensation	-	-	-	-	20,165,067	20,165,067
Impairment of intangible assets	-	-	-	-	13,334	13,334
General and administrative	149,384	-	116,170	-	3,600,060	3,865,614
Total operating expenses	<u>1,618,495</u>	<u>-</u>	<u>283,978</u>	<u>-</u>	<u>26,441,443</u>	<u>28,343,916</u>
Other income	107,971	-	-	-	1,960	109,931
Interest expense	(71,314)	-	-	-	(813,378)	(884,692)
Accretion of debt discount and issuance cost	-	-	-	-	(5,671,843)	(5,671,843)
Change in derivative liability	-	-	-	-	(4,744,187)	(4,744,187)
Settlement of vendor liabilities	2,375	-	-	-	364,212	366,587
Other expenses, net	<u>39,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,863,236)</u>	<u>(10,824,204)</u>
Loss from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(934,546)</u>	<u>(934,546)</u>
Loss before income tax provision and equity in net loss from unconsolidated investments	<u>\$ (502,194)</u>	<u>\$ -</u>	<u>\$ (253,109)</u>	<u>\$ -</u>	<u>\$ (38,239,225)</u>	<u>\$ (38,994,528)</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	<u>(384,692)</u>	<u>(1,350,692)</u>	<u>-</u>	<u>422,652</u>	<u>-</u>	<u>(1,312,732)</u>
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	<u>6,233,840</u>	<u>4,384,498</u>	<u>-</u>	<u>3,108,937</u>	<u>13,991,105</u>	<u>27,718,380</u>

Interest (expense) income, net	(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 14 –Income Taxes

Components of deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Net deferred tax assets – Non-current:		
Depreciation	\$ (146,938)	\$ (24,850)
Amortization	-	(876,459)
Stock based compensation	20,165,067	5,545,450
Expected income tax benefit from NOL carry-forwards	5,810,345	20,744,537
Less valuation allowance	(25,828,474)	(25,388,679)
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:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
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 applied a full valuation allowance against net deferred tax assets as of December 31, 2023 and 2022. The valuation allowance for 2023 was \$(25,828,474), in comparison to a valuation allowance in 2022 of \$(25,388,679), an increase in valuation allowance of \$439,795.

As of December 31, 2023, the Company had approximately \$80.1 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% of 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 consolidated 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 consolidated 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 15 – Subsequent Events

Reverse Stock Split

On January 22, 2024, the Company filed a certificate of amendment to its 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 its 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 its common stock listed in the consolidated financial statements 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 25 promissory notes with 9 investors for net proceeds of \$885,019. The Company issued 411,230 warrants with these notes. The company restructured 3 notes with 1 investor, issuing a new note for \$117,614.

Note Conversions

Subsequent to December 31, 2023, 10 conversions totaling \$1,041,487 in balances from 6 notes converted into 1,272,835 shares of the Company's common stock.

Subsequent to December 31, 2023, 9 conversions totaling \$3,934,287 in balances from 9 notes converted into 3,939 shares of the Company's Series F Preferred stock.

Subsequent to December 31, 2023, 8 conversions totaling \$408,912 in balances from 8 notes converted into 644 shares of the Company's Series F Preferred stock.

Note Extensions

Subsequent to December 31, 2023, 8 lenders extended 15 notes and received \$237,514 in additional principal, 150 shares of Series F Preferred Stock, 6,500 common 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 35,000 shares to 4 consultants.

PIPE

Subsequent to December 31, 2023, the Company issued 143,809 shares of its common stock and 390,859 warrants to purchase its common stock in exchange for \$110,000.

Creation of Series F Preferred

Subsequent to December 31, 2023, The Company has designated 5,500,000 shares of Series F Convertible Preferred stock and has 3,238 shares issued and outstanding as of January 21, 2025.

The shares of Series F 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 F Preferred Stock, at any time following the Original Issue Date at a price of \$5.00 per share, subject to adjustment. Each holder of Series F Preferred Stock shall be entitled to receive, with respect to each share of Series F Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing.

Conversion of Warrants and Notes into Series F Preferred

14 note and warrant holders converted \$3,934,287 worth of notes and exchanged 1,531,354 warrants into 7,863 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, 6 holders converted shares of Series F Preferred stock into 1,088,000 shares of common stock.

Creation of Series G Preferred

Subsequent to December 31, 2023, The Company has designated 500,000 shares of Series G Convertible Preferred stock and has 862 shares issued and outstanding as of January 21, 2025.

The shares of Series G Preferred Stock have a stated value of \$750 per share and are convertible into Common Stock at the election of the holder of the Series G Preferred Stock, at any time following the Original Issue Date at a price of \$1.00 per share, subject to adjustment. Each holder of Series G Preferred Stock shall be entitled to receive, with respect to each share of Series G Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

Conversion of Warrants and Notes into Series G Preferred

Subsequent to December 31, 2023, 6 note, warrant and payable holders converted \$1,311,129 worth of notes and payables into 1,776 shares of Series G Preferred. Each share of Series G Preferred converts into 750 shares of the Company's common stock.

Purchase of Series G Preferred

Subsequent to December 31, 2023, the Company issued 318 shares of its Preferred Series G stock in exchange for \$235,000, at a price of \$750 per share of Series G Preferred. Each Series G Preferred converts into 750 shares of the Company's common stock.

Creation of Series H Preferred

Subsequent to December 31, 2023, the Company has designated 50,000 shares of Series H Convertible Preferred stock and has 3,798 shares issued and outstanding as of January 21, 2025.

The shares of Series H Preferred Stock have a stated value of \$100 per share and are convertible into Common Stock at the election of the holder of the Series H Preferred Stock, at any time following the Original Issue Date at a price of \$0.257 per share, subject to adjustment. Each holder of Series H Preferred Stock shall be entitled to receive, with respect to each share of Series H Preferred Stock then outstanding and held by such holder, dividends on shares of Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) to and 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. No other dividends shall be paid on shares of Preferred Stock.

The Holder shall be entitled to vote on an as-converted basis (subject to the Beneficial Ownership Limitation), together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the Holders and the holders of Common Stock shall vote together and not as separate classes. Moreover, as long as any shares of Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Preferred Stock, (a) alter or change adversely the powers, preferences or rights given to the Preferred Stock or alter or amend this Certificate of Designation, (b) amend its certificate of incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (c) increase the number of authorized shares of Preferred Stock, or (d) enter into any agreement with respect to any of the foregoing. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any shares of Preferred Stock, 9.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Preferred Stock held by the applicable Holder.

Conversion of Payables into Common Stock

Subsequent to December 31, 2023, 11 current and former employees, officers, directors, and consultants of the Company converted \$926,914 in net payables for services rendered into 1,384,594 shares of the Company's common stock. In consideration for this conversion, those who were converted were also awarded 743,257 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, 216,704 warrants to purchase the Company's common stock at a price of \$1.56 per share, and 89,107 warrants to purchase the Company's common stock at \$0.78 per share.

Rescission of Payables

Subsequent to December 31, 2023, 11 current and former employees, officers, directors, and consultants of the Company rescinded 1,384,594 of their common shares, with a value of \$1,471,335 earned in exchange for services rendered to the Company. The rescission of the common shares made in exchange for services rendered resulted in \$1,170,821 being added to the Company's accounts payables.

Conversion of Payables into Series H Preferred

Subsequent to December 31, 2023, 8 current and former employees, officers, directors, and consultants of the Company converted \$379,405 in net payables for services rendered into 3,798 shares of the Company's Series H Preferred stock.

Options Issuances

Subsequent to December 31, 2023, the Company issued 5,178,751 options to purchase its common stock to officers, employees, and directors, as part of the Creatd 2024 Omnibus Securities and Incentive Plan ("Options Plan"). The

options have a 10-year term and an exercise price of \$0.30. The Options Plan was approved at the Company's 2024 annual shareholder meeting. The shares vested upon the approval of the issuance.

Increase in Shares Authorized

Subsequent to December 31, 2023, the Company voted to increase its authorized shares to three billion and twenty million (3,020,000,000) shares of capital stock, of which three billion (3,000,000,000) 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.

Vocal Reverse Split

Subsequent to December 31, 2023, on August 8, 2024, Vocal, Inc. conducted a reverse stock split at a ratio of 1:1000.

Resignation of Erica Wagner

Subsequent to December 31, 2023, on December 2, 2024 Erica Wagner resigned as a board member of Creatd, Inc.

Resignation of Robert Tal

Subsequent to December 31, 2023, Robert Tal resigned as the Chief Information Officer of Creatd, Inc. Mr. Tal is transitioning focus to his full time position as COO of Vocal, a subsidiary of Creatd.

Related Party Notes

Subsequent to December 31, 2023, the Company entered into and/or made payments on 8 loans with CEO Jeremy Frommer for total proceeds of \$159,000. As additional consideration, Mr. Frommer was awarded 111,487 warrants to purchase common stock.

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.

Settlement of Skube v. WHE Agency Inc., et al

Subsequent to December 31, 2023, on November 12, 2024, Jessica Skube and the Company executed a settlement agreement. As part of the agreement, Ms. Skube received 150,000 shares of the Company's common stock, with an additional 35,000 shares of common stock issued in legal fees.

Environmental Health Advocates Inc v. Creatd, et al

Subsequent to December 31, 2023, a complaint against Creatd, Inc., Amazon.com Inc., and Does 1 through 100 was filed on February 23, 2024, in the Superior Court of the State of California, County of Alameda, by Environmental Health Advocates, Inc., alleging violations of California Proposition 65. The claims center on the alleged failure to provide warnings to California consumers about the potential presence of lead in "Camp Vegan Cheezy Mac," a product belonging to Creatd, Inc.'s former subsidiary, PlantCamp. The plaintiff seeks remedies related to these alleged violations. Creatd has opposed these claims, asserting objections including vagueness, overbreadth, and a lack of

relevance, and has highlighted that the production of the product was outsourced, limiting its direct involvement. Given the early stage of this litigation, it is too soon for Creatd to assess potential liability.

Sale of CEOBLOC to Fuse

Subsequent to December 31, 2023, on August 27, 2024, the Company sold its 100% ownership interest in CEOBLOC, LLC, a Delaware-based forum for corporate governance critique, to Fuse, LLC, in exchange for \$1.00. CEOBloc was deemed non-core to Creatd's operations and had minimal revenue in the first half of 2024. The sale allowed Creatd to eliminate associated costs and avoid further investment.. FUSE Investments acquired the membership interests free of liens, with both parties fulfilling standard closing requirements.

Vocal Equity Grants

Subsequent to December 31, 2023, on April 23, 2024, Vocal, Inc. granted 54,024 shares of Preferred Stock to Key Drivers involved with operations of Vocal.

On June 27, 2024, Vocal, Inc. granted an additional 41,557 shares of Preferred Stock to Key Drivers involved with operations of Vocal.

On August 9, 2024, Vocal, Inc. ratified the grant made on June 27, 2024. The Company agreed to the cancellation of 4,648 shares of Vocal common stock held by the Company. Vocal then cancelled 9,018 shares of its Preferred Stock held by Key Drivers.

On August 9, 2024, the Company agreed to the cancellation of an additional 5,578 shares of Vocal common stock held by the Company. Vocal then issued 5,578 Preferred Shares with 5,578 common shares underlying it to Key Drivers involved with operations of Vocal.

On October 21, 2024, the Company agreed to the cancellation of 15,340 shares of Vocal common stock held by the Company. Vocal then issued 15,340 Preferred Shares with 15,340 common shares underlying it to Key Drivers involved with the operations of Vocal.

OG Collection, Inc. Authorized Shares and Preferred Issuance

Subsequent to December 31, 2023, on April 23, 2024, OG Collection, Inc. issued and granted 674,074 shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On June 27, 2024, OG Collection, Inc. issued and granted an additional 518,519 shares of Preferred Stock to Key Drivers involved with operations of OG Collection.

On August 9, 2024, the OG Collection, Inc. amended its Articles of Incorporation, increasing its authorized shares from 2,000,000, all of which was Common Stock, to 1,050,000,000, of which 1,000,000,000 shares became Common Stock and 50,000,000 shares became Preferred Stock.

On August 9, 2024, the OG Collection, Inc. ratified the grant made on June 27, 2024. The Company agreed to the cancellation of 270,000 shares of OG Collection common stock held by the Company. The OG Collection then cancelled 289,019 shares of its Preferred Stock held by Key Drivers.

On August 12, 2024, the Company agreed to the cancellation of 30,000 shares of OG Collection Inc. common stock held by the Company. OG Collection Inc. then issued 30,000 Preferred shares underlaid by 30,000 common shares to Key Drivers involved with the operations of the OG Collection, Inc.

Acquisition of Studio 96 Publishing

Creatd acquired 100% of the membership interests in S96 NYC, LLC (Studio 96 Publishing) from Ayelet Abitbul, with the transaction effective as of July 26, 2024. The terms of the acquisition involved Creatd issuing 35,000 shares of common stock at a cost basis of \$1.20 per share and 65,000 warrants with an exercise price of \$1.20. These shares are restricted under Rule 144 of the Securities Act, limiting resale to specific conditions

Equity Exchange with Hollywall Entertainment, Inc.

Creatd entered into a strategic securities swap agreement with Hollywall Entertainment, Inc. on July 17, 2024. Under this agreement, Creatd issued 16,578 shares of its common stock (CRTD) to Hollywall, while Hollywall issued 726,769 shares of its common stock (HWAL) to Creatd. This swap represents a minimum of 0.5% equity in each company, with the agreement forming part of a broader commitment towards potential expanded collaboration, subject to further due diligence. The agreement outlines confidentiality measures and is non-binding outside of the stock exchange

Acquisition in Murge E-Commerce, Inc.

On September 20, 2024, Creatd entered into a definitive agreement with Murge E-commerce Inc., acquiring a 49% equity stake in Murge in exchange for establishing an equity reserve. Murge's initial assets include Letters of Intent with four named, target companies, each meeting a collective \$30 million in revenue for 2024. Creatd's equity stake is protected by anti-dilution measures contingent upon successful acquisitions. Financing utilizes non-dilutive Creatd preferred shares backed by a 100 million share reserve, capped at 4.99% voting rights for new holders. The agreement includes a 90-day exclusivity period and mandates confidentiality regarding transaction terms.

Equity Exchange with Geopulse Explorations, Inc.

Subsequent to December 31, 2023, the Company acquired 0.5% of equity in Geopulse Explorations, Inc. a holding company focused on owning and developing technologies in the cannabis industry. As consideration for this acquisition, Geopulse Explorations received 21,675 shares of the Company's common stock.

Sale of Comhear Inc. Ownership Interest

Subsequent to December 31, 2023, a buyer paid the Company \$25,000 for its ownership stake in Comhear Inc., for 119,355 shares of Comhear Inc's 2020 Preferred Stock.

Investment in The Powerhouse, LLC

Subsequent to December 31, 2023, the Company acquired 5% of equity in THEPOWERHOUSE, LLC, the parent company of thehouseofarts.com and several influential ventures spanning art, fashion, and design. As consideration for this acquisition, The Powerhouse LLC received 333,333 shares of the Company's common stock, for an equivalent value of \$250,000.

Equity Exchange with Enzylotics, Inc.

Subsequent to December 31, 2023, the Company acquired 1% of equity in Enzylotics, Inc. a biotechnology company focused on developing in the pharmaceutical industry. As consideration for this acquisition, Enzylotics received 39,824 shares of the Company's common stock.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Creatd, Inc.
December 31, 2022 and 2021
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Creatd, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Creatd, Inc. (the “Company”) as of December 31, 2022 and 2021, and the related statements of operations and comprehensive income (loss), stockholders’ equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company’s Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company had a significant accumulated deficit, significant net loss and net cash used in operating activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

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

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

Critical Audit Matters

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

Goodwill and Finite-Lived Intangible Assets Impairment Evaluation

As discussed in Note 2 to the financial statements, management conducts a goodwill impairment assessment on an annual basis and when events or changes in circumstances indicate that the carrying value of a reporting unit exceeds its fair value. The fair value of a reporting unit is determined through the use of the income approach using estimates of future cash flows attributable to the respective reporting units. As a result of the annual impairment assessment, the Company recognized approximately \$1.4 million of goodwill impairment related to its reporting units.

Additionally, as discussed in Note 2 to the financial statements, management evaluates the recoverability of acquired finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. 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 their use and eventual disposition. As a result of the intangible asset impairment assessment, the Company recognized approximately \$1.9 million of impairment related to finite-lived intangible assets.

We identified the impairment of Goodwill and finite-lived intangible assets as a critical audit matter because of significant judgments required by management to estimate the fair value, including forecasted cash flows, revenue growth rates and expectations for operating expenses. The Goodwill assessment also requires judgment related to the discount rate utilized and other significant valuation assumptions. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's cash flow estimates and the selection of cash flow multiples used in the income approach for valuing Goodwill.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of management's estimates of future cash flows, the selection of cash flow multiples for the Company's reporting units, and the evaluation of the discount rate for Goodwill assessments included the following, among others:

- We obtained an understanding of the controls over the assessment of Goodwill and intangible asset impairment, including those over qualitative assessments and the determination of fair value based on relevant cash flow forecasts.
- Tested the mathematical accuracy of the calculations and evaluated significant assumptions and the underlying data used by the Company by performing procedures to test the projected revenues, projected direct costs, and projected operating expenses by comparing them with the historical forecasted results of the respective entities' operations, evaluating the feasibility of generating revenues and cost-cutting strategies and assessing the impacts of internal and/or external economic factors.
- We used experienced personnel to evaluate the expertise, valuation assumptions and methodologies utilized by valuation professionals with specialized skills and knowledge engaged by the Company, and critically evaluated management's assumptions used in the valuations.

Inventory

As discussed in Note 2 to the financial statements, inventories are stated at the lower of cost (first-in, first-out basis) or net realizable value and 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.

We identified the audit of inventory as a critical audit matter for the following reasons based on different aspects of the audit of inventory.

- (a) Existence of inventory – we encountered difficulty in gaining timely access to observe physical inventory counts at multiple locations or confirm existence in other locations. Certain counts could only be done virtually. These factors required the need for inventory roll back procedures, which were also complicated.
- (b) Valuation of inventory – (1) The determination of the proper allocation of inventory value to unit costs was complex and the Company lacked formal controls over this area; (2) The determination of inventory obsolescence required significant assumptions about expiration and spoilage or breakage.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the testing the existence and valuation of inventory included the following, among others:

- We obtained an understanding of the controls over inventory recognition, valuation and monitoring, including those related to allocation of unit costs, inventory obsolescence, and tracking of remote inventories.
- Tested the mathematical accuracy of the calculations and evaluated significant assumptions and the underlying data used by the Company in allocating unit costs by performing procedures to test the underlying value of inventory components in relation to historical bill of materials and finished goods observed during inventory counts. We also evaluated this information by performing our own independent allocations of predicted unit costs and comparing to Company estimates.
- We critically evaluated the assumptions and methodology employed by the Company in evaluating inventory obsolescence, including consideration of subsequent events, and assessing the reasonableness of estimates to historical data for spoilage or breakage.
- During inventory observations, we required live counts, ensured that count procedures were prepared and properly followed, the counting team member was adequately familiar with the inventory items to be counted, count locations were properly identified and tracked accurately, and observed the contents of certain boxes and observed all sides of palletized items.
- We tested the verifiability of inventory reports and tested detailed transactions for the inventory roll back procedures.

/s/ Rosenberg Rich Baker Berman, P.A.

We have served as the Company's auditor since 2018.

Somerset, New Jersey

April 18, 2023

Creatd, Inc.
Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash	\$ 706,224	\$ 3,794,734
Accounts receivable, net	239,423	337,440
Inventory	404,970	106,403
Prepaid expenses and other current assets	128,547	236,665
Total Current Assets	1,479,164	4,475,242
Property and equipment, net	212,545	102,939
Intangible assets	230,084	2,432,841
Goodwill	46,460	1,374,835
Deposits and other assets	797,231	718,951
Minority investment in businesses	-	50,000
Operating lease right of use asset	2,054,265	18,451
Total Assets	\$ 4,819,749	\$ 9,173,259
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,565,720	\$ 3,730,540
Convertible Notes, net of debt discount and issuance costs	5,369,599	159,193
Current portion of operating lease payable	326,908	18,451
Note payable, net of debt discount and issuance costs	1,645,680	1,278,672
Deferred revenue	299,409	234,159
Total Current Liabilities	15,207,316	5,421,015
Non-current Liabilities:		
Note payable	38,014	63,992
Operating lease payable	2,077,618	-
Total Non-current Liabilities	2,115,632	63,992
Total Liabilities	17,322,948	5,485,007
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; 39,062,386 issued and 38,969,013 outstanding as of December 31, 2022 and 16,691,170 issued and 16,685,513 outstanding as of December 31, 2021	39,062	16,691
Additional paid in capital	134,570,600	111,563,618
Less: Treasury stock, 93,373 and 5,657 shares, respectively	(78,456)	(62,406)
Accumulated deficit	(146,142,373)	(109,632,574)
Accumulated other comprehensive income	(140,183)	(78,272)
Total Creatd, Inc. Stockholders' Equity	(11,751,350)	1,807,057

Non-controlling interest in consolidated subsidiaries	(751,849)	1,881,195
	<u>(12,503,199)</u>	<u>3,688,252</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>\$ 4,819,749</u>	<u>\$ 9,173,259</u>

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

Creatd, Inc.
Consolidated Statements of Comprehensive Loss

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Net revenue	\$ 4,796,474	\$ 4,299,717
Cost of revenue	6,109,206	5,300,037
Gross margin (loss)	(1,312,732)	(1,000,320)
Operating expenses		
Compensation	4,678,390	5,812,057
Research and development	951,414	983,528
Marketing	4,700,171	9,626,982
Stock based compensation	4,183,844	9,661,168
Impairment of goodwill	1,433,815	1,035,795
Impairment of intangible assets	2,043,011	688,127
General and administrative	9,727,735	4,560,743
Total operating expenses	27,718,380	32,368,400
Loss from operations	(29,031,112)	(33,368,720)
Other income (expenses)		
Other income	99	396,223
Interest expense	(821,051)	(372,106)
Accretion of debt discount and issuance cost	(4,668,039)	(3,612,669)
Derivative expense	-	(100,502)
Change in derivative liability	3,729	(1,096,287)
Impairment of investment	(50,000)	(589,461)
Settlement of vendor liabilities	(265,717)	59,692
Loss on marketable securities	(11,742)	-
Gain (loss) on extinguishment of debt	(832,482)	1,025,655
Gain on forgiveness of debt	-	279,022
Other income (expenses), net	(6,645,203)	(4,010,433)
Loss before income tax provision	(35,676,315)	(37,379,153)
Income tax provision	-	-
Net loss	(35,676,315)	(37,379,153)
Non-controlling interest in net loss	3,383,044	86,251
Net Loss attributable to Creatd, Inc.	(32,293,271)	(37,292,902)
Deemed dividend	(4,216,528)	(410,750)
Net loss attributable to common shareholders	\$ (36,509,799)	\$ (37,703,652)
Comprehensive loss		

Net loss	(35,676,315)	(37,379,153)
Currency translation loss	(61,911)	(41,038)
Comprehensive loss	<u>\$ (35,738,226)</u>	<u>\$ (37,420,191)</u>
Per-share data		
Basic and diluted loss per share	<u>\$ (1.66)</u>	<u>\$ (2.98)</u>
Weighted average number of common shares outstanding	<u>22,035,260</u>	<u>12,652,470</u>

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

Creatd, Inc.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)
For the Years Ended December 31, 2022 and 2021

	Series E		Common Stock		Treasury stock		Additional	Subscription	Accumulated	Non-	Other	Stockholders'
	Preferred Stock	Amount	Shares	Amount	Shares	Amount	Paid In Capital				Comprehensive Income	
	Shares		Shares		Shares			Receivable	Deficit	Controlling Interest		Equity (Deficit)
Balance, January 1, 2021	7,738	\$ 8	8,736,378	\$ 8,737	(5,657)	\$(62,406)	\$ 77,505,013	\$ (40,000)	\$ (71,928,922)	\$ -	\$ (37,234)	\$ 5,445,196
Stock based compensation	-	-	388,411	388	-	-	9,446,687	-	-	-	-	9,447,075
Shares issued for prepaid services	-	-	50,000	50	-	-	226,450	-	-	-	-	226,500
Shares issued to settle vendor liabilities	-	-	294,895	295	-	-	791,091	-	-	-	-	791,386
Common stock issued upon conversion of notes payable	-	-	1,128,999	1,129	-	-	5,155,865	-	-	-	-	5,156,994
Exercise of warrants to stock	-	-	2,250,691	2,251	-	-	9,484,972	-	-	-	-	9,487,223
Cash received for common stock and warrants	-	-	1,687,500	1,687	-	-	5,665,263	-	-	-	-	5,666,950
Cash received for preferred series E and warrants	40	-	-	-	-	-	(4,225)	40,000	-	-	-	35,775
Conversion of preferred series E to stock	(7,278)	(8)	1,766,449	1,766	-	-	(1,758)	-	-	-	-	-
Stock warrants issued with note payable	-	-	-	-	-	-	1,665,682	-	-	-	-	1,665,682
Shares issued for acquisition	-	-	387,847	388	-	-	1,217,828	-	-	1,967,446	-	3,185,662
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-	-	(41,038)	(41,038)
Dividends	-	-	-	-	-	-	410,750	-	(410,750)	-	-	-
Net loss for the year months ended December 31, 2021	-	-	-	-	-	-	-	-	(37,292,902)	(86,251)	-	(37,379,153)
Balance, December 31, 2021	500	\$ -	16,691,170	\$ 16,691	(5,657)	\$(62,406)	\$ 111,563,618	\$ -	\$(109,632,574)	\$ 1,881,195	\$ (78,272)	\$ 3,688,252
Conversion of preferred series E to stock	(50)	-	12,136	12	-	-	(12)	-	-	-	-	-
Stock based compensation	-	-	444,162	444	-	-	4,086,960	-	-	-	-	4,087,404
Shares issued to settle vendor	-	-	307,342	307	-	-	410,192	-	-	-	-	410,499

liabilities

Shares issued for prepaid services	-	-	150,000	150	-	-	141,000	-	-	-	-	141,150
Shares issued for in process research and development	-	-	57,576	58	-	-	40,937	-	-	-	-	40,995
BCF issued with note payable	-	-	-	-	-	-	2,008,227	-	-	-	-	2,008,227
Exercise of warrants to stock	-	-	9,172,772	9,173	-	-	1,772,774	-	-	-	-	1,781,947
Purchase of treasury stock	-	-	-	-	(87,716)	(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 \$190,000 of issuance costs	-	-	7,046,314	7,046	-	-	5,715,254	-	-	-	-	5,722,300
Stock issued with note payable	-	-	815,000	815	-	-	409,130	-	-	-	-	409,945
Common stock issued upon conversion of notes payable	-	-	4,365,914	4,366	-	-	1,056,722	-	-	-	-	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 ended December 31, 2022	-	-	-	-	-	-	-	-	(32,293,271)	(3,383,044)	-	(35,676,315)
Balance, December 31, 2022	450	\$ -	39,062,386	\$ 39,062	(93,373)	\$(78,456)	\$134,570,600	\$ -	\$(146,142,373)	\$ (751,849)	\$ (140,183)	\$ (12,503,199)

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

Creatd, Inc.
Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (35,676,315)	\$ (37,379,153)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	586,109	397,440
Impairment of investment	50,000	589,461
Impairment of intangible assets	1,433,815	1,038,905
Impairment of goodwill	2,043,011	688,127
impairment of ROU	101,623	-
Accretion of debt discount and issuance cost	4,668,039	3,612,669
Share-based compensation	4,183,844	9,661,174
Shares issued for in process research and development	40,994	-
Bad debt expense	398,130	110,805
(Gain) loss on extinguishment of debt	832,482	(1,304,677)
Settlement of vendor liabilities	265,717	(59,692)
Change in fair value of derivative liability	(3,729)	1,096,287
Derivative Expense	-	100,502
Loss on marketable securities	11,742	-
Non cash lease expense	274,784	82,511
Reserve for obsolete inventory	399,058	-
Equity interest granted for other income	-	(123,710)
Equity in net loss from unconsolidated investment	-	16,413
Changes in operating assets and liabilities:		
Prepaid expenses	86,155	(174,819)
Inventory	(479,356)	(39,182)
Accounts receivable	(755,907)	(80,407)
Deposits and other assets	(78,280)	(527,115)
Deferred revenue	65,250	144,851
Accounts payable and accrued expenses	4,773,551	1,714,902
Operating lease liability	(26,146)	(84,099)
Net Cash Used In Operating Activities	<u>(16,805,429)</u>	<u>(20,518,807)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property and equipment	(212,249)	(95,935)
Cash paid for minority investment in business	-	(325,000)
Cash paid for equity method investment	-	(510,000)
Cash paid for investments in marketable securities	(48,878)	-
Sale of marketable securities	37,135	-
Cash received from the Sale of non-controlling interest in OG Collection Inc.	750,000	-
Cash consideration for acquisition	(31,679)	(225,947)
Purchases of digital assets	(410,369)	(11,241)
Sale of digital assets	289,246	-
Net Cash Provided By (Used In) Investing Activities	<u>373,206</u>	<u>(1,168,123)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercise of warrant	1,781,947	9,487,223
Net proceeds from issuance of notes	2,219,219	747,937
Repayment of notes	(2,830,382)	(456,233)
Proceeds from issuance of convertible note	8,391,905	3,610,491
Repayment of convertible notes	(1,863,315)	(941,880)

Repayment of note payable - related party	-	(538,574)
Proceeds from issuance of common stock and warrants	5,722,300	5,666,951
Cash received for preferred series E and warrants	-	40,000
Purchase of treasury stock	(16,050)	-
Net Cash Provided By Financing Activities	13,405,624	17,615,915
Effect of exchange rate changes on cash	(61,911)	(41,038)
Net Change in Cash	(3,088,510)	(4,112,053)
Cash - Beginning of period	3,794,734	7,906,787
Cash - End of period	\$ 706,224	\$ 3,794,734

SUPPLEMENTARY CASH FLOW INFORMATION:

Cash Paid During the Year for:

Income taxes	\$ -	\$ -
Interest	\$ 650,000	\$ 60,073

SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Settlement of vendor liabilities	\$ -	\$ 168,667
Beneficial conversion feature on convertible notes	\$ 2,008,227	\$ -
Warrants issued with debt	\$ 3,149,270	\$ 1,665,682
Shares issued with debt	\$ 409,945	\$ -
Issuance of common stock for prepaid services	\$ 141,150	\$ 226,500
Recognition of Right-of-use asset and corresponding operating lease liability	\$ 2,412,221	\$ -
Deferred offering costs	\$ -	\$ 4,225
Common stock and warrants issued upon conversion of notes payable	\$ 1,061,088	\$ 5,156,994
Shares issued for acquisition	\$ -	\$ 1,318,218
Reduction of ROU asset related to re-measurement of lease liability	\$ -	\$ 135,086
Repayment of promissory notes from Australian R&D credits	\$ -	\$ 146,630

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

Creatd, Inc.
December 31, 2022
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 475,000 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 39,091 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 a 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.

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, 2022, 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%
Creatd Ventures LLC	Delaware	100%
Dune Inc.	Delaware	50%
OG Collection, Inc.	Delaware	89%
Orbit Media LLC	New York	51%
WHE Agency, Inc.	Delaware	44%

As of December 31, 2022, Creatd Ventures, LLC (formerly Creatd Partners, LLC) is operating three DBAs for Brave Foods, Plant Camp, and Basis (formerly Denver Bodega, LLC).

All other previously consolidated subsidiaries have been dissolved.

All inter-company balances and transactions have been eliminated. The consolidated financial statements include Denver Bodega, LLC activity since March 7, 2022, Orbit Media LLC activity since August 1, 2022, and Brave Foods, LLC activity since September 13, 2022.

Variable Interest Entities

Management performs an ongoing assessment of its noncontrolling interests from investments in unrelated entities to determine if those entities are variable interest entities (VIEs), and if so, whether the Company is the primary beneficiary. If an entity in such a transaction, by design, meets the definition of a VIE and the Company determines that it, or a consolidated subsidiary is the primary beneficiary, the Company will include the VIE in its consolidated financial statements. If such an entity is deemed to not be consolidated, the Company records only its investment in equity securities as a marketable security or investment under the equity method, as applicable.

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.

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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, 2021**

	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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	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 - equity securities	\$ -	\$ -	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Our marketable equity securities are publicly traded stocks measured at fair value using quoted prices for identical assets in active markets and classified as Level 1 within the fair value hierarchy. Marketable equity securities as of December 31, 2022 and 2021 are \$0.

The change in net realized depreciation on equity trading securities that have been included in other expenses for the year ended December 31, 2022 and 2021 was \$11,742 and \$0, respectively.

The following table sets forth a summary of the changes in marketable securities - available-for-sale debt securities that are measured at fair value on a recurring basis:

	For the years ended December 31, 2022 and 2021 Total
As of January 1, 2021	\$ 62,733
Purchase of marketable securities	-
Interest due at maturity	-
Other than temporary impairment	(62,733)
Conversion of marketable securities	<u>-</u>

December 31, 2021 and 2022

\$	-
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The following are the changes in the derivative liabilities during the years ended December 31, 2022 and 2021.

	Years Ended December 31, 2022 and 2021		
	Level 1	Level 2	Level 3
Derivative liabilities as January 1, 2021	\$ -	\$ -	\$ 42,231
Addition	-	-	417,24
Extinguishment	-	-	(431,458)
Conversion to Note payable - related party	-	-	(1,124,301)
Changes in fair value	-	-	1,096,287
Derivative liabilities as December 31, 2021	-	-	-
Addition	-	-	100,532
Changes in fair value	-	-	(3,729)
Extinguishment	-	-	(96,803)
Derivative liabilities as December 31, 2022	\$ -	\$ -	\$ -

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, 2021**

	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:				
Equity investments, at cost	\$ 50,000	\$ -	\$ -	\$ 50,000
Intangible assets	2,432,841	-	-	2,432,841
Goodwill	1,374,835	-	-	1,374,835
Total assets	\$ 3,857,676	\$ -	\$ -	\$ 3,857,676

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

	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:				
Equity investments, at cost	\$ -	\$ -	\$ -	\$ -
Intangible assets	230,084	-	-	230,084
Goodwill	46,460	-	-	46,460
Total assets	\$ 276,544	\$ -	\$ -	\$ 276,544

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, 2022, was \$308,474. 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 \$700,268. 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, 2022, the Company recorded an impairment charge of \$2,043,111 for intangible assets. During the year ended December 31, 2021, the Company recorded an impairment charge of \$688,127 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. The remaining weighted average life of the intangible assets is 8.06 years.

Scheduled amortization over the next five years are as follows:

Twelve months ending December 31,

2023	\$ 32,097
2024	32,098
2025	28,863
2026	18,966
2027	18,964
Thereafter	76,313
Total	<u>207,301</u>
Intangible assets not subject to amortization	22,783
Total Intangible Assets	<u><u>\$ 230,084</u></u>

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Amortization expense was \$483,484 and \$348,186 for the year ended December 31, 2022 and 2021, 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, 2022 and 2021, the Company completed its annual impairment tests of goodwill. The Company performed the qualitative assessment as permitted by ASC 350-20 and determined for one of its reporting units that the fair value of that reporting unit was more likely than not greater than its carrying value, including Goodwill. However, based on this qualitative assessment, the Company determined that the carrying value of the Denver Bodega, Dune, Plant Camp and, WHE Agency reporting units was more likely than not greater than their carrying value, including Goodwill. Based on the completion of the annual impairment tests, the Company recorded an impairment charge of \$1,433,815 and \$1,035,795 for goodwill for the years ended December 31 2022 and 2021, respectively.

The following table sets forth a summary of the changes in goodwill for the years ended December 31, 2021 and 2022.

	For the years ended December 31, 2021 and 2022 Total
As of January 1, 2021	\$ 1,035,795
Goodwill acquired in a business combination	1,374,835
Impairment of goodwill	(1,035,795)
As of December 31, 2021	1,374,835
Goodwill acquired in business combinations	105,440
Impairment of goodwill	(1,433,815)
As of December 31, 2022	<u>46,460</u>

Investments

Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt securities not classified as held-to-maturity or as trading are classified as available-for-sale, and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in stockholders’ equity.

The Company accounts for its investments in available-for-sale debt securities, in accordance with sub-topic 320-10 of the FASB ASC (“Sub-Topic 320-10”). Accrued interest on these securities is included in fair value and amortized cost.

Pursuant to Paragraph 320-10-35, investments in debt securities that are classified as available for sale shall be measured subsequently at fair value in the statement of financial position. Unrealized holding gains and losses for available-for-sale securities (including those classified as current assets) shall be excluded from earnings and reported in other comprehensive income until realized.

The Company follows FASB ASC 320-10-35 to assess whether an investment in debt securities is impaired in each reporting period. An investment in debt securities is impaired if the fair value of the investment is less than its amortized cost. If the Company intends to sell the debt security (that is, it has decided to sell the security), an other-than-temporary impairment shall be considered to have occurred. If the Company more likely than not will be required to sell the security before recovery of its amortized cost basis or it otherwise does not expect to recover the entire amortized cost basis of the security, an other-than-temporary impairment shall be considered to have occurred. The Company considers the expected cash flows from the investment based on reasonable and supportable forecasts as well as several other factors to estimate whether a credit loss exists. If the Company intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment shall be recognized in earnings equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date.

The following table sets forth a summary of the changes in marketable securities - available-for-sale debt securities that are measured at fair value on a recurring basis:

	For the years ended December 31, 2022 and 2021 Total
As of January 1, 2021	\$ 62,733
Purchase of marketable securities	-
Interest due at maturity	-
Other than temporary impairment	(62,733)
Conversion of marketable securities	-
December 31, 2021 and 2022	<u>\$ -</u>

We invest in debt securities. Our investments in debt securities are subject to interest rate risk. To minimize the exposure due to an adverse shift in interest rates, we invest in securities with maturities of two years or less and maintain a weighted average maturity of one year or less. As of December 31, 2021, all of our investments had maturities between one and three years. The marketable debt security investments are evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. During the years ended December 31, 2021, the Company recognized a \$62,733 from the impairment of the debt security.

The following table sets forth a summary of the changes in equity investments, at cost that are measured at fair value on a non-recurring basis:

	For the years ended December 31, 2021 and 2022 Total
As of January 1, 2021	\$ 217,096
Purchase of equity investments	150,000
Other than temporary impairment	(102,096)
Conversion to equity method investments	(215,000)
As of December 31, 2021	<u>50,000</u>
Purchase of equity investments	-
Other than temporary impairment	(50,000)
Conversion to equity method investments	-
As of December 31, 2022	<u>\$ -</u>

The Company has elected to measure its equity securities without a readily determinable fair value at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. An election to measure an equity security in accordance with this paragraph shall be made for each investment separately.

The Company performed a qualitative assessment considering impairment indicators to evaluate whether these investments were impaired. Impairment indicators that the Company considered included the following: a) a significant deterioration in the earnings performance, credit rating, asset quality or business prospects of the investee; b) a significant adverse change in the regulatory, economic or technology environment of the investee; c) a significant adverse change in the general market condition of either the geographical area or the industry in which the investee operates; d) a bona fide offer to purchase or an offer by the investee to sell the investment; e) factors that raise significant concerns about the investee's ability to continue as a going concern. During the years ended December 31, 2022 and 2021 the Company recognized a \$50,000 and \$102,096 impairment of the equity security respectively.

Equity Method Investments

Investments in unconsolidated entities over which we have significant influence are accounted for under the equity method of accounting. Under the equity method of accounting, the Company does not consolidate the investment's financial statements within its consolidated financial statements. Equity method investments are initially recorded at cost, then our proportional share of the underlying net income or loss is recorded as equity in net loss from equity method investments in our statement of operations, with a corresponding increase or decrease to the carrying value of the investment. Distributions received from the investee reduce our carrying value of the investment and are recorded in the consolidated statements of cash flows using the cumulative earnings approach. These investments are evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. There were indicators of impairment related to our equity method investments for the year ended December 31, 2021. During the year ended December 31, 2022 and 2021, the Company recorded an impairment charge of \$50,000 and \$487,365 respectively for equity method investments.

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 reassessed 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 binomial option model 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 Binomial model included a stock price on valuation date, an expected term of each debenture remaining from the valuation date to maturity, an estimated volatility, 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, 2022 and 2021 consists of the following:

	Years Ended December 31,	
	2022	2021
Agency (Managed Services, Branded Content, & Talent Management Services)	\$ 1,914,647	\$ 2,256,546
Platform (Creator Subscriptions)	1,417,094	1,926,135
Ecommerce	1,457,161	90,433
Affiliate Sales	7,572	26,453
Other Revenue	-	150
	<u>\$ 4,796,474</u>	<u>\$ 4,299,717</u>

The Company utilizes the output method to measures the results achieved and value transferred to a customer over time. Timing of revenue recognition for the three and years ended December 31, 2022 and 2021 consists of the following:

	Years Ended December 31,	
	2022	2021
Products and services transferred over time	\$ 3,331,741	\$ 4,182,681
Products transferred at a point in time	1,464,733	117,036
	<u>\$ 4,796,474</u>	<u>\$ 4,299,717</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 \$500-\$7,500 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. Partner Clients may or may not have an additional billing component referred to as Sales Performance Fee, which is a fee based upon a previously agreed upon percentage point of the client's total sales for the month. Some Partners may also have projects within their contracts that get billed and recognized as agreed upon project milestones are achieved. 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 \$10,000 to \$110,000, 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.
- Most contracts include provisions for clients to acquire content rights at the end of the campaign for a flat fee.

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.

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.

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, 2022, and 2021, the Company had deferred revenue of \$299,409 and \$234,159 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 managed service client monthly when we have updated their Amazon store, modified SEO, or completed the other services listed in the agreement. For projects and branded content, we will bill the 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, 2022 and 2021, the Company recorded \$398,130 and \$110,805, respectively as a bad debt expense. As of December 31, 2022, the Company has an allowance for doubtful accounts of \$585,077. As of December 31, 2021, the Company has an allowance for doubtful accounts of \$186,147.

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, 2022, and 2021, the Company had a valuation allowance of \$399,058 and \$0 respectively. During the years ended December 31, 2022 and 2021 the Company recorded \$399,058 and \$0 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, 2022 and 2021, 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, 2022 and 2021:

	December 31,	
	2022	2021
Series E preferred	109,223	121,359
Options	3,061,767	2,902,619
Warrants	16,261,699	5,658,830
Convertible notes	27,823,250	-
Totals	47,255,939	8,682,808

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. During the year ended December 31, 2021, we adopted a change in presentation on our consolidated statements of operations and comprehensive loss in order to present a gross profit line, the presentation of which is consistent with our peers. Under the new presentation, we began allocating payroll and related expenses, professional services and creator payouts. Prior periods have been revised to reflect this change in presentation.

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, 2022, the Company recognized a deemed dividend of \$3,187,906 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, 2022, the company recognized approximately \$2.0 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 effect 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, 2022, the Company had an accumulated deficit of \$146.2 million, a net loss of \$35.7 million and net cash used in operating activities of \$16.7 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, 2022 and December 31, 2021:

	December 31, 2022	December 31, 2021
Raw Materials	\$ -	\$ -
Packaging	34,632	2,907
Finished goods	\$ 370,335	103,496
	<u>\$ 404,970</u>	<u>\$ 106,403</u>

Note 5 – Property and Equipment

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

	December 31, 2022	December 31, 2021
Computer Equipment	\$ 447,860	\$ 353,880
Furniture and Fixtures	184,524	102,416
Leasehold Improvements	47,616	11,457
	<u>680,000</u>	<u>467,753</u>
Less: Accumulated Depreciation	(467,455)	(364,814)
	<u><u>\$ 212,545</u></u>	<u><u>\$ 102,939</u></u>

Depreciation expense was \$102,643 and \$49,254 for the year ended December 31, 2022 and 2021, respectively.

Note 6 – Notes Payable

Notes payable as of December 31, 2022 and 2021 is as follows:

	Outstanding Principal as of December 31, 2022	December 31, 2021	Interest Rate	Maturity Date
Seller's Choice Note	\$ -	\$ 660,000	30%	September 2020
The April 2020 PPP Loan Agreement	198,577	198,577	1%	May 2022
The First December 2021 Loan Agreement	-	185,655	10%	June 2023
The Second December 2021 Loan Agreement	-	313,979	14%	June 2022
First Denver Bodega LLC Loan	38,014	-	5%	March 2025
The Third May 2022 Loan Agreement	9,409	-	-%	November 2022
The Fourth May 2022 Loan Agreement	31,701	-	-%	November 2022
The Second June Loan agreement	39,500	-	-%	October 2022
The First August 2022 Loan Agreement	130,615	-	14%	November 2022
The Second August 2022 Loan Agreement	387,950	-	-%	January 2023
The First September 2022 Loan Agreement	73,236	-	-%	September 2023
The Second September 2022 Loan Agreement	763,625	-	-%	May 2023
The Third September 2022 Loan Agreement	256,964	-	-%	April 2023
The November 2022 Loan	68,211	-	-%	June 2023
	<u>1,683,694</u>	<u>1,358,211</u>		
Less: Debt Discount	(314,108)	(15,547)		
Less: Debt Issuance Costs	-	-		
	<u>1,683,694</u>	<u>1,342,664</u>		
Less: Current Debt	(1,645,680)	(1,278,672)		
Total Long-Term Debt	<u><u>\$ 38,014</u></u>	<u><u>\$ 63,992</u></u>		

Seller's Choice Note

On September 11, 2019, the Company entered into Seller's Choice Purchase Agreement with Home Revolution LLC. As a part of the consideration provided pursuant to the Seller's Choice Acquisition, the Company issued the Seller's Choice Note to the Seller in the principal amount of \$660,000. The Seller's Choice Note bears interest at a rate of 9.5% per annum and is payable on March 11, 2020 (the "Seller's Choice Maturity Date") at which time all outstanding principal, accrued and unpaid interest and other amounts become due. Upon maturity the Company utilized an automatic extension up to 6 months. This resulted in a 5% increase in the interest rate every month the Seller's Choice Note is outstanding. As of December 31, 2021, the Company was in default on the Seller's Choice note.

On March 3, 2022, after substantial motion practice, Creatd successfully settled the dispute with Home Revolution, LLC for a total of \$799,000, which includes \$660,000 of note principal and \$139,000 of accrued interest. The matter has been dismissed. As part of the settlement the Company recorded a Gain on extinguishment of debt of \$147,256.

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 year ended December 31, 2021, the Company accrued interest of \$1,637.

During the year ended December 31, 2021, the Company repaid \$83,855 in principal.

During the year ended December 31, 2022, the Company accrued interest of \$10,850.

As of December 31, 2022, 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.

Subsequent to December 31, 2022, the Company made a repayment of \$5,000 towards this note.

The May 2020 PPP Loan Agreement

On May 4, 2020, Jerrick Ventures, LLC (“Jerrick Ventures”), the Company’s wholly-owned subsidiary, was granted a loan from PNC Bank, N.A. with a principal amount of \$412,500, pursuant to the Paycheck Protection Program (the “PPP”). The Loan, which was in the form of a Note dated May 4, 2020, matures on May 4, 2022, and bears interest at a fixed rate of 1.00% per annum, payable monthly commencing on November 4, 2020. The Note may be prepaid by Jerrick Ventures 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. Jerrick Ventures intends to use the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

During the year ended December 31, 2021, the Company accrued interest of \$396.

During the year ended December 31, 2021, the Company repaid \$136,597 in principal and was forgiven \$275,903 of principal and \$3,119 of accrued interest.

The October 2020 Loan Agreement

On October 6, 2020, the Company entered into a secured loan agreement (the “October 2020 Loan Agreement”) with a lender (the “October 2020 Lender”), whereby the October 2020 Lender issued the Company a secured promissory note of \$74,300 AUD or \$54,412 United States Dollars (the “October 2020 Note”). Pursuant to the October 2020 Loan Agreement, the October 2020 Note has an effective interest rate of 14%. The maturity date of the October 2020 Note is September 30, 2021 (the “October 2020 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the October 2020 Loan Agreement are due. The loan is secured by the Australian research & development credit.

During the year ended December 31, 2021, the Company accrued \$4,850 AUD in interest.

During the year ended December 31, 2021, the Company’s repaid \$111,683 in principal and \$6,408 in interest from our R&D tax credit receivable.

The November 2020 Loan Agreement

On November 24, 2020, the Company entered into a loan agreement (the “November 2020 Loan Agreement”) with a lender (the “November 2020 Lender”) whereby the November 2020 Lender issued the Company a promissory note of \$34,000 (the “November 2020 Note”). Pursuant to the November 2020 Loan Agreement, the November 2020 Note has an effective interest rate of 14%. The maturity date of the November 2020 Note is May 25, 2021 (the “November 2020 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the November 2020 Note are due.

During the year ended December 31, 2020, the Company repaid \$10,284 in principal.

During the year ended December 31, 2021, the Company repaid \$23,716 in principal and \$4,736 of accrued interest.

The February 2021 Loan Agreement

On February 24, 2021, the Company entered into a secured loan agreement (the “February 2021 Loan Agreement”) with a lender (the “February 2021 Lender”), whereby the February 2021 Lender issued the Company a secured promissory note of \$111,683 AUD or \$81,789 United States Dollars (the “February 2021 Note”). Pursuant to the February 2021 Loan Agreement, the February 2021 Note has an effective interest rate of 14%. The maturity date of the February 2021 Note is July 31, 2021 (the “February 2021 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the February 2021 Loan Agreement are due. The loan is secured by the Australian research & development credit.

During the year ended December 31, 2021, the Company accrued \$9,339 AUD in interest.

The April 2021 Loan Agreement

On April 9, 2021, the Company entered into a loan agreement (the “April 2021 Loan Agreement”) with a lender (the “April 2021 Lender”) whereby the April 2021 Lender issued the Company a promissory note of \$128,110 (the “April 2021 Note”). Pursuant to the April 2021 Loan Agreement, the April 2021 Note has an effective interest rate of 11%. The maturity date of the April 2021 Note is October 8, 2022 (the “April 2021 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the April 2021 Note are due.

During the year ended December 31, 2021, the Company repaid \$92,140 in principal and converted \$35,970 into the July 2021 Loan Agreement. As part of the conversion the Company recorded \$8,341 as extinguishment expense.

The July 2021 Loan Agreement

On July 2, 2021, the Company entered into a loan agreement (the “July 2021 Loan Agreement”) with a lender (the “July 2021 Lender”) whereby the July 2021 Lender issued the Company a promissory note of \$137,625 (the “July 2021 Note”). Pursuant to the July 2021 Loan Agreement, the July 2021 Note has an effective interest rate of 10%. The maturity date of the July 2021 Note is December 31, 2022 (the “July 2021 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the July 2021 Note are due.

During the year ended December 31, 2021, the Company repaid \$113,606 in principal and converted \$24,019 into the Second December 2021 Loan. As part of the conversion the Company recorded \$7,109 as extinguishment expense.

The First December 2021 Loan Agreement

On December 3, 2021, the Company entered into a loan agreement (the “First December 2021 Loan Agreement”) with a lender (the “First December 2021 Lender”) whereby the First December 2021 Lender issued the Company a promissory note of \$191,975 (the “First December 2021 Note”). Pursuant to the First December 2021 Loan Agreement, the First December 2021 Note has an effective interest rate of 9%. The maturity date of the First December 2021 Note is June 3, 2023 (the “First December 2021 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First December 2021 Note are due.

During the year ended December 31, 2021, the Company repaid \$6,320 in principal.

During the year ended December 31, 2022, the Company repaid \$185,655 in principal.

The Second December 2021 Loan Agreement

On December 14, 2021, the Company entered into a secured loan agreement (the “Second December 2021 Loan Agreement”) with a lender (the “Second December 2021 Lender”), whereby the Second December 2021 Lender issued the Company a secured promissory note of \$438,096 AUD or \$329,127 United States Dollars (the “Second December 2021 Note”). Pursuant to the Second December 2021 Loan Agreement, the Second December 2021 Note has an effective interest rate of 14%. The maturity date of the Second December 2021 Note is June 30, 2022 (the “Second December 2021 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the Second December 2021 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 year ended December 31, 2022, the Company repaid \$293,499 of principal and \$26,115 of interest.

The First February 2022 Loan Agreement

On February 22, 2022, the Company entered into a secured loan agreement (the “First February 2022 Loan Agreement”) with a lender (the “First February 2022 Lender”), whereby the First February 2022 Lender issued the Company a secured promissory note of \$222,540 AUD or \$159,223 United States Dollars (the “First February 2022 Note”). Pursuant to the First February 2022 Loan Agreement, the First February 2022 Note has an effective interest rate of 14%. The maturity date of the First February 2022 Note is June 30, 2022 (the “First February 2022 Maturity Date”) at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First February 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 year ended December 31, 2022, the Company repaid \$159,223 of principal and \$8,120 of interest.

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 12. The total liabilities of these notes amounted to \$293,888. During the year ended December 31, 2022, the Company repaid \$255,874. As of December 31, 2022, the Company has one note outstanding. This note has a principal balance of \$38,014, bears interest at 5%, and requires 36 monthly payments of \$1,496.

Subsequent to December 31, 2022, the Company made payments totaling \$5,994 towards this note.

The First May 2022 Loan Agreement

On May 9, 2022, the Company entered into a loan agreement (the “First May 2022 Loan Agreement”) with a lender (the “First May 2022 Lender”), whereby the First May 2022 Lender issued the Company a promissory note of \$693,500 (the “First May 2022 Note”). The Company received cash proceeds of \$455,924. Pursuant to the First May 2022 Loan Agreement, the First May 2022 Note has an effective interest rate of 143%. The maturity date of the First May 2022 Note is December 18, 2022 (the “First May 2022 Maturity Date”). The Company is required to make weekly payment of \$21,673. The First May 2022 Note is secured by officers of the Company.

The Company recorded a \$237,576 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 year ended December 31, 2022, the Company repaid \$390,114 in principal.

On September 22, 2022, the Company and the First May 2022 Lender entered into an exchange agreement whereas both parties agreed to roll the remaining \$303,386 in the Second September 2022 Loan Agreement. 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 \$33,079 as loss on extinguishment of debt due to the remaining debt discount on the First May 2022 Loan Agreement.

The Second May 2022 Loan Agreement

On May 9, 2022, the Company entered into a loan agreement (the “Second May 2022 Loan Agreement”) with a lender (the “Second May 2022 Lender”), whereby the Second May 2022 Lender issued the Company a promissory note of \$401,500 (the “Second May 2022 Note”). The Company received cash proceeds of \$263,815. Pursuant to the Second May 2022 Loan Agreement, the Second May 2022 Note has an effective interest rate of 162 %. The maturity date of the Second May 2022 Note is November 20, 2022 (the “Second May 2022 Maturity Date”). The Company is required to make weekly payment of \$14,339. The Second May 2022 Note is secured by officers of the Company.

The Company recorded a \$137,685 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 year ended December 31, 2022, the Company repaid \$272,447 in principal.

On September 23, 2022, the Company and the Second May 2022 Lender entered into an exchange agreement whereas both parties agreed to roll the remaining \$129,053 in the Third September 2022 Loan Agreement. 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 \$3,905 as loss on extinguishment of debt due to the remaining debt discount on the Second May 2022 Loan Agreement.

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 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 year ended December 31, 2022, the Company repaid \$18,195 in principal.

Subsequent to December 31, 2022, the Company made repayments of \$4,432 towards this note.

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 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 year ended December 31, 2022, the Company repaid \$13,499 in principal.

Subsequent to December 31, 2022, the Company made repayments of \$7,097 towards this note.

The First June 2022 Loan Agreement

On June 17, 2022, the Company entered into a loan agreement (the “First June 2022 Loan Agreement”) with a lender (the “First June 2022 Lender”), whereby the First June 2022 Lender issued the Company a promissory note of \$568,000 (the “First June 2022 Note”). The Company received cash proceeds of \$378,000. Pursuant to the First June 2022 Loan Agreement, the First June 2022 Note has an effective interest rate of 217%. The maturity date of the First June 2022 Note is November 4, 2022 (the “First June 2022 Maturity Date”). The Company is required to make weekly payment of \$28,400. The First June 2022 Note is secured by officers of the Company.

The Company recorded a \$190,000 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 year ended December 31, 2022, the Company repaid \$255,600 in principal.

On August 19, 2022, the Company and the First June 2022 Lender entered into an exchange agreement whereas both parties agreed to roll the remaining \$312,400 in the Third September 2022 Loan Agreement. 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 \$66,749 as loss on extinguishment of debt due to the remaining debt discount on the Second May 2022 Loan Agreement.

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”).

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 year ended December 31, 2022, the Company accrued \$2,037 AUD in interest.

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 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 year ended December 31, 2022, the Company repaid \$535,050 in principal.

Subsequent to December 31, 2022, the Company made repayments of \$312,000 towards this note.

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 year ended December 31, 2022, the Company repaid \$14,647 in principal.

Subsequent to December 31, 2022, the Company made payments totaling \$21,971 towards this note.

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 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 payment of \$27,375. The Second September 2022 Note is secured by officers of the Company.

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.

During the year ended December 31, 2022, the Company repaid \$112,375 in principal.

Subsequent to December 31, 2022, the Company made repayments of \$117,000 towards these notes.

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 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 payment of \$13,036. The Third September 2022 Note is secured by officers of the Company.

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.

During the year ended December 31, 2022, the Company repaid \$108,036 in principal.

Subsequent to December 31, 2022, the Company made repayments of \$140,000 towards this note.

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 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 year ended December 31, 2022, the Company repaid \$12,114 in principal.

Subsequent to December 31, 2022, the Company made repayments of \$36,468 towards this note.

Note 7 – Convertible Notes Payable

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

	Outstanding Principal as of December 31, 2022	Outstanding Principal as of December 31, 2021	Interest Rate	Conversion Price	Maturity Date	Warrants granted	
						Quantity	Exercise Price
The July 2021 Convertible Loan Agreement	-	168,850	6.0%	-(*)	July -22	-	-
The May 2022 Convertible Loan Agreement	50,092	-	11%	-(*)	May-23	-	-
The May 2022 Convertible Note Offering	990,000	-	18%	2.00(*)	November-22	4,000,000	\$3.00 – \$6.00
The July 2022 Convertible Note Offering	3,750,000	-	18%	0.20(*)	March-23	2,150,000	\$3.00 – \$6.00
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%	0.20(*)	April-23		
The December 2022 Convertible Loan Agreement	750,000	-	-%	0.20(*)	April-23	562,500.00	\$ 0.20
	<u>6,810,992</u>	<u>168,850</u>					
Less: Debt Discount	(1,426,728)	(8,120)					
Less: Debt Issuance Costs	<u>(14,665)</u>	<u>(1,537)</u>					
	<u>5,369,599</u>	<u>159,193</u>					

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

The First July 2020 Convertible Loan Agreement

On July 1, 2020, the Company entered into a loan agreement (the “First July 2020 Loan Agreement”) with an individual (the “First July 2020 Lender”), whereby the First July 2020 Lender issued the Company a promissory note of \$68,000 (the “First July 2020 Note”). Pursuant to the First July 2020 Loan Agreement, the First July 2020 Note has interest of ten percent (10%). The First July 2020 Note matures on June 29, 2021.

Upon default or 180 days after issuance the First July 2020 Note is convertible into shares of the Company's common stock, par value \$0.001 per share ("Conversion Shares") equal to 61% multiplied by the lowest trade of the common stock during the twenty (15) consecutive trading day period immediately preceding the date of the respective conversion.

During the year ended December 31, 2021, the First July 2020 Note became convertible. Due to the fact that these convertible notes have an option to convert at a variable amount, they are subject to derivative liability treatment. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The conversion feature has been measured at fair value using a Binomial model at the conversion date and the period end. The conversion feature of First July 2020 Note gave rise to a derivative liability of \$112,743. The Company recorded \$68,000 as a debt discount and \$44,743 was recorded to derivative expense. The debt discount is charged to accretion of debt discount over the remaining term of the convertible note.

During the year ended December 31, 2021, the Company converted \$68,000 in principal and \$3,400 in interest into 35,469 shares of the Company's common stock.

The September 2020 Convertible Loan Agreement

On September 23, 2020, the Company entered into a loan agreement (the "September 2020 Loan Agreement") with an individual (the "September 2020 Lender"), whereby the September 2020 Lender issued the Company a promissory note of \$385,000 (the "September 2020 Note"). Pursuant to the September 2020 Loan Agreement, the September 2020 Note has interest of twelve percent (12%). The September 2020 Note matures on September 23, 2021.

Upon default or 180 days after issuance the Second July 2020 Note is convertible into shares of the Company's common stock, par value \$0.001 per share equal to the closing bid price of the Company's common stock on the trading day immediately preceding the date of the respective conversion.

The Company recorded a \$68,255 debt discount relating to original issue discount associated with this note. The Company recorded a \$146,393 debt discount relating to 85,555 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 the note to accretion of debt discount and issuance cost.

During the year ended December 31, 2021, the Company repaid \$341,880 in principal and \$46,200 in interest.

The October 2020 Convertible Loan Agreement

On October 2, 2020, the Company entered into a loan agreement (the "October 2020 Loan Agreement") with an individual (the "October 2020 Lender"), whereby the October 2020 Lender issued the Company a promissory note of \$169,400 (the "October 2020 Note"). Pursuant to the October 2020 Loan Agreement, the October 2020 Note has interest of six percent (6%). The October 2020 Note matures on the first (12th) month anniversary of its issuance date.

Upon default or 180 days after issuance the October 2020 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 fifteen-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$19,400 debt discount relating to original issue discount associated with this note. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

During the year ended December 31, 2021, the Second July 2020 Note became convertible. Due to the fact that these convertible notes have an option to convert at a variable amount, they are subject to derivative liability treatment. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The conversion feature has been measured at fair value using a Binomial model at the conversion date and the period end. The conversion feature of Second July 2020 Note gave rise to a derivative liability of \$74,860. The Company recorded this as a debt discount. The debt discount is charged to accretion of debt discount over the remaining term of the convertible note.

During the year ended December 31, 2021, the Company converted \$169,400 in principal and \$4,620 in interest into 55,631 shares of the Company's common stock.

The First December 2020 convertible Loan Agreement

On December 9, 2020, the Company entered into a loan agreement (the “First December 2020 Loan Agreement”) with an individual (the “First December 2020 Lender”), whereby the First December 2020 Lender issued the Company a promissory note of \$600,000 (the “First December 2020 Note”). Pursuant to the First December 2020 Loan Agreement, the First December 2020 Note has interest of twelve percent (12%). As additional consideration for entering in the First December 2020 convertible Loan Agreement, the Company issued 45,000 shares of the Company’s common stock. The First December 2020 Note matures on the first (12th) month anniversary of its issuance date.

Upon default the First December 2020 Note is convertible into shares of the Company’s common stock, par value \$.001 per share (“Conversion Shares”) equal to the closing bid price of the Company’s common stock on the trading day immediately preceding the date of the respective conversion.

The Company recorded a \$110,300 debt discount relating to original issue discount associated with this note. The Company recorded a \$113,481 debt discount relating to 45,000 shares 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 the note to accretion of debt discount and issuance cost.

During the year ended December 31, 2021, the Company repaid \$600,000 in principal and \$4,340 in interest.

The May 2021 Convertible Note Offering

On May 14, 2021, the Company conducted multiple closings of a private placement offering to accredited investors (the “May 2021 Convertible Note Offering”) of units of the Company’s securities by entering into subscription agreements with “accredited investors” (the “May 2021 Investors”) for aggregate gross proceeds of \$3,690,491. The May 2021 convertible notes are convertible into shares of the Company’s common stock, par value \$.001 per share at a conversion price of \$5.00 per share. As additional consideration for entering in the May 2021 Convertible Note Offering, the Company issued 1,090,908 warrants of the Company’s common stock. The May 2021 Convertible Note matures on November 14, 2022.

The Company recorded a \$1,601,452 debt discount relating to 1,090,908 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 \$666,669 debt discount relating to an original issue discount and \$539,509 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.

During the year ended December 31, 2021, the Company converted \$4,666,669 in principal into 933,334 shares of the Company’s common stock.

The July 2021 Convertible Loan Agreement

On July 6, 2021, the Company entered into a loan agreement (the “July 2021 Loan Agreement”) with an individual (the “July 2021 Lender”), whereby the July 2021 Lender issued the Company a promissory note of \$168,850 (the “July 2021 Note”). Pursuant to the July 2021 Loan Agreement, the July 2021 Note has interest of six percent (6%). The July 2021 Note matures on the first (12th) month anniversary of its issuance date.

Upon default or 180 days after issuance the July 2021 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 fifteen-trading day immediately preceding the date of the respective conversion.

The Company recorded a \$15,850 debt discount relating to an original issue discount and \$3,000 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.

During the year ended December 31, 2022, the July 2021 Note became convertible. Due to the fact that these convertible notes have an option to convert at a variable amount, they are subject to derivative liability treatment. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The conversion feature has been measured at fair value using a Binomial model at the conversion date. The conversion feature of July 2021 Note gave rise to a derivative liability of \$100,532. The Company recorded this as a debt discount. The debt discount is charged to accretion of debt discount over the remaining term of the convertible note.

During the year ended December 31, 2022, the note holder converted \$168,850 of principal and \$4,605 of interest into 109,435 shares of the Company's common stock. The unamortized debt discount of \$96,803 was recorded to extinguishment of debt due to conversion.

The Second February 2022 Loan Agreement

On February 22, 2022, the Company entered into a loan agreement (the "Second February 2022 Loan Agreement") with a lender (the "Second February 2022 Lender"), whereby the Second February 2022 Lender issued the Company a promissory note of \$337,163 (the "Second February 2022 Note"). Pursuant to the Second February 2022 Loan Agreement, the Second February 2022 Note has an interest rate of 11%. The maturity date of the Second February 2022 Note is February 22, 2023 (the "Second February 2022 Maturity Date"). The Company is required to make 10 monthly payments of \$37,425.

Upon default the Second February 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 \$37,163 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 year ended December 31, 2022, the Company repaid \$299,400 in principal and converted \$74,850 in principal into 216,842 shares of the Company's common stock.

The May 2022 Convertible Loan Agreement

On May 20, 2022, the Company entered into a loan agreement (the "May 2022 Loan Agreement") with an individual (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 39,637 shares of the Company's common stock.

Subsequent to December 31, 2022, the May 2022 Lender converted \$51,132 in principal into 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 \$2.00 per share. As additional consideration for entering in the May 2022 Convertible Note Offering, the Company issued 4,000,000 warrants of the Company's common stock. The May 2022 Convertible Note matures on November 30, 2022.

The Company recorded a \$1,895,391 debt discount relating to 4,000,000 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 \$0.20 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.

During the year ended December 31, 2022 the Company repaid \$1,314,286 in principal.

During the year ended December 31, 2022, the Company accrued \$75,674 in interest that was not forgiven. As of December 31, 2022, the Company is in default on \$900,000 of principal and \$75,674 of interest.

Subsequent to December 31, 2022, the Company made repayments totaling \$785,714 towards these notes.

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 \$2.00 per share. As additional consideration for entering in the July 2022 Convertible Note Offering, the Company issued 2,150,000 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 2,150,000 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 \$214,981 debt discount relating to an original issue discount. The debt discount 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 the July Investors agreed to forgive default interest and extend the maturity date to March 31, 2023, for a reduced conversion price of \$0.20 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 year ended December 31, 2022, the Company repaid \$185,714 in principal.

Subsequent to December 31, 2022, the Company made repayments totaling \$714,286 towards these notes.

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.

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 815,000 shares of common stock issue 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.

Subsequent to December 31, 2022, the Company made a repayment of \$47,143 towards the balance of the Second October 2022 Note.

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 \$0.20.

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 year ended December 31, 2022, the lender converted \$800,000 into 4,000,000 shares of the Company’s common stock.

Subsequent to December 31, 2022, the Third October 2022 Lender converted the remaining balance of \$866,650 into 4,333,250 shares of the Company’s common stock.

The December 2022 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 \$0.20.

The Company recorded a \$241,773 debt discount relating to 562,500 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.

Subsequent to December 31, 2022, the December 2022 Lender converted \$500,000 into 2,500,000 shares of the Company’s common stock.

Note 8 – Related Party

Notes payable

The September 2020 Goldberg Loan Agreement

On September 15, 2020, the Company entered into a loan agreement (the “September 2020 Goldberg Loan Agreement”) with Goldberg whereby the Company issued a promissory note of \$16,705 (the “September 2020 Goldberg Note”). Pursuant to the September 2020 Goldberg Loan Agreement, the September 2020 Goldberg Note has an interest rate of 7%. The maturity date of the September 2020 Goldberg Note is September 15, 2022 (the “September 2020 Goldberg Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under note are due. The September 2020 Goldberg Loan is secured by the tangible and intangible property of the Company.

Since the September 2020 Goldberg Note has a make-whole provision if the shares of the Company’s common stock issued to the lender in accordance with the Lender’s Exchange Agreement (see note 10) have a value equal to or less than \$6,463,363 determined by using the lowest VWAP of the last 30 days prior to September 14, 2021. The principal amount of the September 2020 Goldberg Note shall increase by 200% of the difference between the initial consideration and the September 14, 2021, value. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The make-whole feature gave rise to a derivative liability that has been marked to market during the year ended December 31, 2021, and the change in derivative liability is recorded on Consolidated Statements of Comprehensive Loss.

On September 15, 2021, the make-whole provision was triggered, causing an increase in principal of the September 2020 Goldberg Note by \$939,022.

During the year ended December 31, 2021, the Company accrued interest of \$3,576.

During the year ended December 31, 2021, the Company entered into a settlement agreement whereas the Company agreed to pay \$200,000 in cash and \$150,000 in shares of Common Stock.

The September 2020 Rosen Loan Agreement

On September 15, 2020, the Company entered into a loan agreement (the “September 2020 Rosen Loan Agreement”) with Rosen whereby the Company issued a promissory note of \$3,295 (the “September 2020 Rosen Note”). Pursuant to the September 2020 Rosen Loan Agreement, the September 2020 Rosen Note has an interest rate of 7%. The maturity date of the September 2020 Rosen Note is September 15, 2022 (the “September 2020 Rosen Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the note are due. The September 2020 Rosen Loan is secured by the tangible and intangible property of the Company.

Since the September 2020 Rosen Note has a make-whole provision if the shares of the Company's common stock issued to the lender in accordance with the Lender's Exchange Agreement (see note 10) have a value equal to or less than \$1,274,553 determined by using the lowest VWAP of the last 30 days prior to September 14, 2021. The principal amount of the September 2020 Rosen Note shall increase by 200% of the difference the initial consideration and the September 14, 2021 value. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The make-whole feature of gave rise to a derivative that has been marked to market during the year ended December 31, 2021, and the change in derivative liability is recorded on Consolidated Statements of Comprehensive Loss.

On September 15, 2021 the make-whole provision was triggered, causing an increase in principal of the September 2020 Rosen Note by \$185,279.

During the year ended December 31, 2021, the Company accrued interest of \$1,610.

During the year ended December 31, 2021, the Company repaid \$188,574 in principal and \$1,677 in interest.

Revenue

During the year ended December 31, 2021 the Company received revenue of \$80,000 from Dune for branded content services prior to consolidation but after recognition as an equity method investee.

Equity raises

During the year ended December 31, 2022, the Company conducted two equity raises in which officers, directors, employees, and an affiliate of an officer cumulatively invested \$484,753 for 277,000 shares of common stock and 272,000 warrants to purchase common stock.

Officer compensation

During the year ended December 31, 2022 and 2021, the Company paid \$172,091 and \$138,713, 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, 2022 and 2021. 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, 2022 or 2021.

The Company utilizes either a Monte Carlo simulation model or a binomial option model 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 Binomial model included a stock price on valuation date, an expected term of each debenture remaining from the valuation date to maturity, an estimated volatility, 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, 2022 and 2021.

	Years Ended		
	December 31, 2022 and 2021		
	Level 1	Level 2	Level 3
Derivative liabilities as January 1, 2021	\$ -	\$ -	\$ 42,231
Addition	-	-	417,24
Extinguishment	-	-	(431,458)
Conversion to Note payable - related party	-	-	(1,124,301)
Changes in fair value	-	-	1,096,287
Derivative liabilities as December 31, 2021	-	-	-
Addition	-	-	100,532
Changes in fair value	-	-	(3,729)
Extinguishment	-	-	(96,803)
Derivative liabilities as December 31, 2022	\$ -	\$ -	\$ -

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, 2022.

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 \$4.12 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, 2021, the Company received the \$40,000 of the subscription receivable for the Series E Convertible Preferred Stock. The Company has recorded \$4,225 to stock issuance costs, which are part of Additional Paid-in Capital.

During the year ended December 31, 2021, investors converted 7,278 shares of the Company's Series E Convertible Preferred Stock into 1,766,449 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 12,136 shares of the Company's common stock.

Common Stock

On January 14, 2021, the Company issued 30,000 shares of its restricted common stock to consultants in exchange for services at a fair value of \$133,200.

On January 20, 2021, the Company issued 40,000 shares of its restricted common stock to consultants in exchange for a year of services at a fair value of \$192,000. On May 24, 2021, the Company amended the contract and issued an additional 10,000 shares of its restricted common stock. These shares had a fair value of \$34,500. 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. During the year ended December 31, 2021, the Company recorded \$99,908 to stock-based compensation expense related to these shares.

On February 1, 2021, the Company issued 50,000 shares of its restricted common stock to consultants in exchange for services at a fair value of \$196,000.

On February 3, 2021, the Company issued 1,929 shares of its restricted common stock to consultants in exchange for services at a fair value of \$8,198.

On February 8, 2021, the Company entered into a consulting agreement whereas the Company issued a total of 2,092 shares of common stock in exchange for services at a fair value of \$7,502.

On February 18, 2021, the Company issued 10,000 shares of its restricted common stock to consultants in exchange for services at a fair value of \$48,000.

On February 18, 2021, the Company issued 10,417 shares of its restricted common stock to consultants in exchange for services at a fair value of \$50,002.

On February 26, 2021, the Company issued 291 shares of its restricted common stock to consultants in exchange for services at a fair value of \$1,499.

On March 17, 2021, the Company issued 9,624 shares of its restricted common stock to consultants in exchange for services at a fair value of \$49,371.

On March 28, 2021, the Company issued 31,782 shares of its restricted common stock to settle outstanding vendor liabilities of \$125,000.

On March 31, 2021, the Company issued 13,113 shares of its restricted common stock to settle outstanding vendor liabilities of \$43,667. In connection with this transaction the Company also recorded a loss on settlement of vendor liabilities of \$12,719.

On April 10, 2021, the Company issued 16,275 shares of its restricted common stock to consultants in exchange for services at a fair value of \$69,332.

On April 21, 2021, the Company entered into a consulting agreement whereas the Company issued a total of 1,048 shares of common stock in exchange for services at a fair value of \$3,587.

On June 17, 2021, the Company entered into an underwriting agreement with The Benchmark Company LLC, pursuant to which we agreed to sell to the Underwriter in a firm commitment underwritten public offering an aggregate of 750,000 shares of the Company's common stock, at a public offering price of \$3.40 per share. The Company also granted the Underwriter a 30-day option to purchase up to an additional 112,500 shares of Common Stock to cover over-allotments, if any. The Offering closed on June 21, 2021. The net proceeds to the Company from the equity raise was \$2,213,500. As part of the underwriting agreement the Company issued 46,667 warrants of the Company's common stock to Benchmark. The warrants have an exercise price \$5.40 and a term of five years. On July 9, 2021, the Representative exercised the over-allotment option to purchase an additional 954,568 shares of Common Stock.

On July 20, 2021, the Company issued 2,154 shares of its restricted common stock to consultants in exchange for services at a fair value of \$8,570.

On July 15, 2021, the Company issued 715 shares of its restricted common stock to consultants in exchange for services at a fair value of \$2,500.

On August 15, 2021, the Company issued 820 shares of its restricted common stock to consultants in exchange for services at a fair value of \$2,500.

On August 26, 2021, the Company issued 348 shares of its restricted common stock to consultants in exchange for services at a fair value of \$999.

On September 15, 2021, the Company issued 793 shares of its restricted common stock to consultants in exchange for services at a fair value of \$2,500.

On October 25, 2021, the Company entered into a securities purchase agreement with institutional investors resulting in the raise of \$3,407,250 in gross proceeds to the Company. Pursuant to the terms of the purchase agreement, the Company agreed to sell, in a registered direct offering, an aggregate of 850,000 shares of the Company's common stock, par value \$0.001 per share, at a purchase price of \$4.50 per Share.

On November 5, 2021, the Company issued 25,000 shares of its restricted common stock to consultants in exchange for services at a fair value of \$85,750.

On November 15, 2021, the Company issued 13,392 shares of its restricted common stock to consultants in exchange for services at a fair value of \$41,917.

On November 29, 2021, the Company issued 250,000 shares of its restricted common stock to settle outstanding vendor liabilities of \$576,783. In connection with this transaction the Company also recorded a loss on settlement of vendor liabilities of \$33,217.

On November 29, 2021, the Company issued 101,097 shares of its restricted common stock to consultants in exchange for services at a fair value of \$246,676.

On December 3, 2021, the Company issued 194 shares of its restricted common stock to consultants in exchange for services at a fair value of \$429.

On December 14, 2021, the Company issued 211 shares of its restricted common stock to consultants in exchange for services at a fair value of \$452.

During the year ended December 31, 2022, the Company issued 307,342 shares of its restricted common stock to settle outstanding vendor liabilities of \$138,125. In connection with this transaction the Company also recorded a loss on settlement of vendor liabilities of \$265,717.

On January 6, 2022, the Company issued 8,850 shares of its restricted common stock to consultants in exchange for services at a fair value of \$19,736.

On February 24, 2022, the Company issued 50,000 shares of its restricted common stock to consultants in exchange for four months of services at a fair value of \$69,000. These shares were recorded as common stock issued for prepaid services and will be expensed over the life of the consulting contract to share based payments. During the nine months ended September 30, 2022 the Company recorded \$69,000 to share based payments.

On March 1, 2022, the Company entered into securities purchase agreements with twenty-eight accredited investors whereby, at the closing, such investors purchased from the Company an aggregate of 1,401,457 shares of the Company's common stock and (ii) 1,401,457 warrants to purchase shares of common stock, for an aggregate purchase price of \$2,452,550. Such warrants are exercisable for a term of five-years from the date of issuance, at an exercise price of \$1.75 per share. The Company has recorded \$40,000 to stock issuance costs, which are part of Additional Paid-in Capital.

On March 7, 2022, the Company entered into a securities purchase agreement (the "Purchase Agreement") with thirteen accredited investors resulting in the raise of \$2,659,750 in gross proceeds to the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell in a registered direct offering an aggregate of 1,519,857 shares of the Company's common stock together with warrants to purchase an aggregate of 1,519,857 shares of Common Stock at an exercise price of \$1.75 per share. The warrants are immediately exercisable and will expire on March 9, 2027. The Company has recorded \$75,000 to stock issuance costs, which are part of Additional Paid-in Capital.

During the three months ended March 31, 2022, the Company issued 7,488 shares of its restricted common stock to consultants in exchange for services at a fair value of \$8,364.

On April 5, 2022 the Company issued 185,000 shares of its restricted common stock to officers of the company in exchange for services at a fair value of \$192,400.

On June 24, 2022, the Company issued 50,000 shares of its restricted common stock to consultants in exchange for four months of services at a fair value of \$37,200. These shares were recorded as common stock issued for prepaid services and will be expensed over the life of the consulting contract to share based payments. During the nine months ended September 30, 2022 the Company recorded \$2,405 to share based payments.

During the three months ended June 30, 2022, the Company issued 29,387 shares of its restricted common stock to consultants in exchange for services at a fair value of \$24,001.

On September 15, 2022, the Company entered into a securities purchase agreement with five accredited investors resulting in the raise of \$796,000 in gross proceeds to the Company. Pursuant to the terms of the Purchase Agreement, the Company agreed to sell in a registered direct offering an aggregate of 4,000,000 shares of the Company's common stock together with warrants to purchase an aggregate of 4,000,000 shares of Common Stock at an exercise price of \$0.20 per share. The warrants are immediately exercisable and will expire on September 15, 2027. The Company has recorded \$75,000 to stock issuance costs, which are part of Additional Paid-in Capital.

During the three months ended September 30, 2022, the Company issued 50,000 shares of its restricted common stock to consultants in exchange for prepaid services at a fair value of \$34,900.

During the three months ended September 30, 2022, the Company issued 107,206 shares of its restricted common stock to consultants in exchange for services at a fair value of \$22,892.

During the three months ended December 31, 2022, the Company issued 111,324 shares of its restricted common stock to consultants in exchange for services at a fair value of \$44,894.

During the year ended December 31, 2022, the company repurchased 87,716 shares of common stock for \$16,050.

Stock Options

The assumptions used for options granted during the twelve months ended December 31, 2022 and 2021, are as follows:

	December 31, 2022
Exercise price	\$ 1.10 – 1.90
Expected dividends	0%
Expected volatility	165.38% – 166.48%
Risk free interest rate	2.69% – 2.95%
Expected life of option	5 years

	December 31, 2021
Exercise price	\$ 2.09 - 4.89
Expected dividends	0%
Expected volatility	169.78 – 242.98%
Risk free interest rate	0.46 – 1.26%
Expected life of option	5 - 7 years

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

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Balance – January 1, 2021 – outstanding	541,021	12.75	3.27
Granted	2,425,762	5.97	5.91
Exercised	-	-	-
Forfeited/Cancelled	(64,164)	13.06	-
Balance – December 31, 2021 – outstanding	2,902,619	7.07	4.71
Granted	1,940,000	1.38	5.00
Exercised	-	-	-
Forfeited/Cancelled	(434,352)	13.56	-
Balance – December 31, 2022 – outstanding	4,408,267	4.05	4.29
Balance – December 31, 2022 – exercisable	3,061,767	4.19	4.07

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)
\$ 4.05	4,408,267	4.29	4.19	3,061,767	4.07

Stock-based compensation for stock options has been recorded in the consolidated statements of operations and totaled \$7,616,195, for the year ended December 31, 2021.

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.

As of December 31, 2022, there was \$237,522 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 0.14 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.

The assumptions used for warrants granted during the year ended December 31, 2022 and 2021 are as follows:

	December 31, 2022
Exercise price	\$ 0.20 – 6.00
Expected dividends	0%
Expected volatility	164.34% - 175.30%
Risk free interest rate	2.81% - 3.75%
Expected life of warrant	5-5.5 years
	December 31, 2021
Exercise price	\$ 4.50 – 5.40
Expected dividends	0%
Expected volatility	232.10% - 237.14%
Risk free interest rate	0.82% - 0.89%
Expected life of warrant	5 – 5.5 years

Warrant Activities

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

	Warrant	Weighted Average Exercise Price
Balance – January 1, 2022 – outstanding	6,130,948	4.96
Granted	1,961,267	5.60
Exercised	(2,414,218)	4.55
Forfeited/Cancelled	(19,167)	24.00
Balance – December 31, 2021 – outstanding	5,658,830	4.98
Granted	22,460,182	2.07
Exercised	(9,624,067)	5.18
Forfeited/Cancelled	(2,233,246)	4.73
Balance – December 31, 2022 – outstanding	16,261,699	2.18
Balance – December 31, 2022 – exercisable	16,261,699	\$ 2.79

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
\$ 2.18	16,261,699	4.20	2.79	16,261,699	4.20

During the Year ended December 31, 2021, the Company issued 2,250,691 shares of common stock to a certain warrant holder upon the exercise of 2,414,218 warrants. The Company received \$9,487,223 in connection with the exercise of the warrant.

During the year ended December 31, 2021, a total of 486,516 warrants were issued in connection with the Series E Convertible Preferred Stock raise.

During the year ended December 31, 2021, a total of 1,137,575 warrants were issued with convertible notes. The warrants have a grant date fair value of \$3,258,955 using a Black-Scholes option-pricing model and the above assumptions.

During the year ended December 31, 2021, some of the Company's warrants had a down-round provision triggered that also resulted in an additional 127,801 warrants to be issued. A deemed dividend of \$410,750 was recorded to the Statements of Comprehensive Loss.

During the year ended December 31, 2021, the Company issued 80,000 warrants in connection with the underwriting agreement.

Stock-based compensation for stock warrants of 129,375 has been recorded in the Consolidated Statements of Comprehensive Loss and totaled \$480,863, for the year ended December 31, 2021.

During the year ended December 31, 2022, the company granted warrant holders 5,246,953 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 6,712,500 warrants were issued with convertible notes (See Note 7 above). The warrants have a grant date fair value of \$6,172,614 using a Black-Scholes option-pricing model and the above assumptions and a relative fair value of \$3,171,076.

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 is currently pending. The contingency is probable that a material loss of \$161,000 has been incurred and is accrued in the Company's consolidated financial statements.

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. Given the premature nature of this case, it is still too early for the Company to make an assessment as to liability.

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. Our corporate headquarters consists of a total of 8,000 square feet and is located at 419 Lafayette Street, 6th Floor, New York, NY, 10003. The current lease term is 7 years commencing May 1, 2022. The total amount due under this lease is \$3,502,033.

On April 19, 2022, the Company signed a 2-year lease for approximately 2,252 square feet of office space at 1 Westmount Square, Westmount, Qc H3Z2P9. Commencement date of the lease is July 1, 2022. The total amount due under this lease is \$72,064. During the year ended December 31, 2022, it was decided the company would not be using the office space and recorded an impairment of \$63,472 on the right-of-use asset. As of December 31, 2022, the company was in breach of this lease agreement and subsequently reached a settlement agreement to terminate the lease.

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, 2022, 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 December 31, 2022, the company is in breach of this lease agreement.

The components of lease expense were as follows:

	Year Ended December 31, 2022
Operating lease cost	\$ 398,498
Short term lease cost	139,136
Total net lease cost	<u>\$ 537,634</u>

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

	Year Ended December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:	
Operating lease payments	206,944
Weighted average remaining lease term (in years):	6.02
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
2023	\$ 583,728
2024	550,705
2025	517,231
2026	532,424
2027	548,073
Thereafter	754,064
Total lease payments	3,486,225
Less: Amounts representing interest	(1,081,698)
Total lease obligations	2,404,526
Less: Current	(326,908)
	<u>\$ 2,077,618</u>

Rent expense for the year ended December 31, 2022 and 2021 was \$590,100 and \$216,845, respectively.

Market price risk of crypto (“digital”) assets

The Company holds crypto and digital assets in third-party wallets. Crypto asset price risk could adversely affect its operating results and will depend upon the market price of Bitcoin, ETH, as well as other crypto assets. Crypto asset prices have fluctuated significantly from quarter to quarter. There is no assurance that crypto asset prices will reflect historical trends. A decline in the market price of Bitcoin, ETH, and Other crypto assets could have an adverse effect on our earnings, the carrying value of the crypto assets, and future cash flows. This may also affect the liquidity and the ability to meet our ongoing obligations.

Appointment of New Directors

On February 17, 2022, the Board of Directors (the “Board”) of the Company appointed Joanna Bloor, Brad Justus, and Lorraine Hendrickson to serve as members of the Board. Ms. Bloor has been nominated to, and will serve as, chair of the Compensation Committee, and to be a member of the Audit Committee and Nominating & Corporate Governance Committee. Mr. Justus has been nominated, and will serve as, chair of the Nominating & Corporate Governance Committee, and to be a member of the Compensation Committee and Audit Committee. Ms. Hendrickson has been nominated to, and will serve as, chair of the Audit Committee and to be a member of the Compensation and Nominating & Corporate Governance Committee.

Management Restructuring

On February 17, 2022, the Board of the Company approved the restructuring of the Company’s senior management team to eliminate the Co-Chief Executive Officer role, appointing Jeremy Frommer as Executive Chairman and Founder, and appointing Laurie Weisberg as Chief Executive Officer (the “Second Restructuring”). Prior to the Second Restructuring, Mr. Frommer and Ms. Weisberg served as the Company’s co-Chief Executive Officers and Ms. Weisberg served as the Company’s Chief Operating Officer. The Second Restructuring does not impact the role or functions of the Company’s Chief Financial Officer, Chelsea Pullano, or the role or functions of the Company’s President and Chief Operating Officer, Justin Maury.

Departure of Directors

On February 17, 2022, the Board received notice that effective immediately, Mark Standish resigned as Chair of the Board, Chair of the Audit Committee and as a member of the Compensation Committee and Nominating & Corporate Governance Committee; Leonard Schiller resigned as member of the Board, Chair of the Compensation Committee and as a member of the Audit Committee and Nominating & Corporate Governance Committee; and LaBrena Martin resigned as a member of the Board, Chair of the Nominating & Corporate Governance Committee and as a member of the Audit Committee and Compensation Committee. Such resignations are not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

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.

On September 21, 2022, the Board received notice from Brad Justus of his resignation as a member of the Board, and from all committees of the Board on which he served, with such resignation to become effective on September 30, 2022. Such resignation was not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On November 1, 2022, the Board received notice from Lorraine Hendrickson of her resignation as a Director and from all committees of the Board on which she served, effective as of such date. Ms. Hendrickson’s resignation as a member of the Board was not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On November 17, 2022, the Board received notice from Joanna Bloor of her resignation as a Director and from all committees of the Board on which she served, effective as of such date. Ms. Bloor’s resignation as a member of the Board was not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

Appointment of New Directors

On September 2, 2022, the Board appointed Justin Maury, President and Chief Operating Officer, as Director to the Board

On November 2, 2022, the Board appointed Peter Majar as Director to the Board. Mr. Majar has been nominated to, and will serve as, chair of the Audit Committee and the Compensation Committee and to be a member of the Nominating & Corporate Governance Committee.

On November 16, 2022, the Board appointed Erica Wagner as Director to the Board. Ms. Wagner has been nominated, and will serve as, chair of the Nominating & Corporate Governance Committee, and to be a member of the Compensation Committee.

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

On April 5, 2022, upon the recommendation of the Compensation Committee of the Board, the Board approved employment agreements with, and equity issuances for, (i) Jeremy Frommer, Executive Chairman, who will receive (a) an signing award of \$80,000, (b) an annual salary of \$420,000; (c) 121,000 options, to vest immediately with a strike price of \$1.75, and (d) 50,000 shares of the Company's restricted common stock; (ii) Laurie Weisberg, Chief Executive Officer, who will receive (a) an annual salary of \$475,000; (b) 121,000 options, to vest immediately with a strike price of \$1.75, and (c) 50,000 shares of the Company's restricted common stock; (iii) Justin Maury, Chief Operating Officer & President, who will receive (a) an annual salary of \$475,000 (b) 81,000 options, to vest immediately with a strike price of \$1.75, and (c) 50,000 shares of the Company's restricted common stock; and (iv) Chelsea Pullano, Chief Financial Officer, who will receive (a) an annual salary of \$250,000; (b) 37,000 options, to vest immediately with a strike price of \$1.75, and (c) 35,000 shares of the Company's restricted common stock (collectively, the "Executive Employment Arrangements").

Pursuant to the Executive Employment Arrangements, the Company entered into executive employment agreements with each of the respective executives as of April 5, 2022 (the "Executive Employment Agreements"). The Executive Employment Agreements contain customary terms, conditions and rights.

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 – AcquisitionsPlant Camp LLC

On June 1, 2021, the Company, entered into a Membership Interest Purchase Agreement (the "MIPA") with Angela Hein ("Hein") and Heidi Brown ("Brown", and together with Hein, the "Sellers"), pursuant to which the Purchaser acquired 490,863 common units (the "Membership Interests") of Plant Camp LLC, a Delaware limited liability company ("Plant Camp") from the Sellers, resulting in the Purchaser owning 33% of the issued and outstanding equity of Plant Camp. The Membership Interests were purchased for \$175,000.

On June 4, 2021, the Company, entered into a MIPA with Sellers, pursuant to which the Purchaser acquired 841,005 common units of Plant Camp from the Sellers, resulting in the Purchaser owning a total of 89% of the issued and outstanding equity of Plant Camp. The additional Membership Interests were purchased for \$300,000. The acquisition was accounted for as a step acquisition however there was no change in value of the Company's existing equity interest. The Company utilized the fair value of the consideration to determine the fair value of the existing equity interest based on the total merger consideration offered.

The following sets forth the components of the purchase price:

Purchase price:	
Cash paid to seller	\$ 300,000
Fair value of equity investment purchased on June 1, 2021	175,000
Total purchase price	<u>475,000</u>
Assets acquired:	
Cash	5,232
Accounts Receivable	7,645
Inventory	19,970
Total assets acquired	<u>32,847</u>
Liabilities assumed:	
Accounts payable and accrued expenses	5,309
Deferred Revenue	671
Total liabilities assumed	<u>5,980</u>
Net assets acquired	<u>26,867</u>
Non-controlling interest in consolidated subsidiary	56,865
Excess purchase price	<u>\$ 504,998</u>

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

Goodwill	\$ 7,198
Trade Names & Trademarks	100,000
Know-How and Intellectual Property	316,500
Website	51,300
Customer Relationships	<u>30,000</u>
Excess purchase price	<u><u>\$ 504,998</u></u>

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

WHE Agency, Inc.

On July 20, 2021, the Company entered into a Stock Purchase Agreement to purchase 44% ownership and 55% of voting power of the issued and outstanding shares of WHE Agency, Inc., (“WHE”). The aggregate closing consideration was \$1,038,271, which consists of a combination of \$144,750 in cash and \$893,521 in the form of 224,503 shares of the Company’s restricted common stock at a price of \$3.98 per share. Based on the purchase price of \$1,038,271 for 44% ownership, the fair value of the non-controlling interest was estimated to be \$1,190,000 based on the consideration from the Company.

WHE is a talent management and public relations agency dedicated to the representation and management of family- and lifestyle-focused influencers and digital creators.

The following sets forth the components of the purchase price:

Purchase price:	
Cash paid to seller	\$ 144,750
Shares granted to seller	893,521
Total purchase price	<u>1,038,271</u>
Assets acquired:	
Cash	26,575
Accounts Receivable	446,272
Total assets acquired	<u>472,847</u>
Liabilities assumed:	
Accounts payable and accrued expenses	353,017
Total liabilities assumed	<u>353,017</u>
Net assets acquired	<u>119,830</u>
Non-controlling interest in consolidated subsidiary	1,190,000
Excess purchase price	<u><u>\$ 2,108,442</u></u>

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

Goodwill	\$ 1,349,697
Trade Names & Trademarks	85,945
Non-Compete Agreements	45,190
Influencers / Customers	627,610
Excess purchase price	<u><u>\$ 2,108,442</u></u>

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

Dune Inc.

Prior to October 3, 2021, the Company invested \$732,297 into Dune See note 6 & 7. Using step acquisition accounting, the Company decreased the value of its existing equity interest to its fair value based on its purchase price on October 3, 2021, resulting in the recognition of an impairment in investment of \$424,632, which was included in within our consolidated statements of operations. The Company utilized the fair value of the consideration to determine the fair value of the existing equity interest based on the total merger consideration offered and the Company's stock price at acquisition.

On October 3, 2021, we, through Creatd Partners, LLC ("Buyer"), entered into a Stock Purchase Agreement (the "Dune Agreement") with Standard Holdings, Inc. ("SHI") and Mark De Luca ("De Luca") (SHI and De Luca, collectively the "Dune Sellers"), and Stephanie Roy Dufault, whereby Buyer purchased a majority stake in Dune, Inc., a Delaware corporation ("Dune"). Pursuant to the Dune Agreement, which closed on October 4, 2021, Buyer acquired a total of 3,905,634 shares of the common stock of Dune (the "Purchased Shares"). The Company issued 163,344 restricted shares of the Company's common stock to the Dune Sellers.

In addition, pursuant to the Dune Agreement, \$50,000 worth of the Company's common stock issuable to the Dune Sellers on a pro rata basis, priced in accordance with the terms and conditions set forth in the Dune Agreement (the "Indemnification Escrow Amount"), shall be held in escrow and reserved in each Dune Seller's name by the Company's transfer agent until such time as release is authorized under the Agreement.

The following sets forth the components of the purchase price:

Purchase price:	
Shares granted to seller	\$ 424,698
Fair value of equity investment purchased before October 4, 2021	307,665
Total purchase price	<u>732,363</u>
Assets acquired:	
Cash	186,995
Inventory	47,250
Total assets acquired	<u>234,246</u>
Liabilities assumed:	
Accounts payable	40,000
Total liabilities assumed	<u>40,000</u>
Net assets acquired	<u>194,246</u>
Non-controlling interest in consolidated subsidiary	<u>720,581</u>
Excess purchase price	<u>\$ 1,258,698</u>

Due to the limited amount of time since the acquisition date, the assets and liabilities of Dune Inc. were recorded based primarily on their acquisition date carrying values. Management believes the estimated fair value of these accounts on the acquisition date approximates their carrying value as reflected in the table above due to the short-term nature of these instruments. The remaining assets and liabilities primarily consisted of goodwill, customer relationships, know how, and tradenames. We will adjust the remaining assets and liabilities to fair value as valuations are completed and we obtain information necessary to complete the analyses, but no later than one year from the acquisition data.

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

Goodwill	\$ 64,230
Trade Names & Trademarks	208,304
Know-How and Intellectual Property	858,300
Website	127,864
Excess purchase price	<u>\$ 1,258,698</u>

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

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.

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 57,576 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.

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	<u>119,719</u>
Liabilities assumed:	
Accounts payable and accrued expenses	1,316
Notes payable	75,000
Total liabilities assumed	<u>76,316</u>
Net assets acquired	<u>43,403</u>
Excess purchase price	<u>\$ 106,596</u>

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	<u>10,023</u>
Excess purchase price	<u>\$ 106,596</u>

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

The following presents the unaudited pro-forma combined results of operations of the Company with Plant Camp, WHE, Dune, Denver Bodega, and Brave as if the entities were combined on January 1, 2021.

	Year Ended 2021
Revenues	\$ 6,492,696
Net loss attributable to common shareholders	\$ (44,422,150)
Net loss per share	\$ (3.43)
Weighted average number of shares outstanding	12,934,549
	Year Ended 2022
Revenues	\$ 5,482,827
Net loss attributable to common shareholders	\$ (36,638,249)
Net loss per share	\$ (1.66)
Weighted average number of shares outstanding	22,092,836

Note 13 – Segment Information

We operate in three reportable segments: Creatd Labs, Creatd Ventures, 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.

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.

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

	As of December 31, 2022				
	Creatd Labs	Creatd Ventures	Creatd Partners	Corporate	Total
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	-	-	-	2,973,034	2,973,034
Total Assets	\$ 683,792	\$ 683,104	\$ 228,206	\$ 3,224,647	\$ 4,819,749
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	-	-	-	7,774,125	7,774,125
Total Liabilities	<u><u>\$ 414,217</u></u>	<u><u>\$ 1,819,458</u></u>	<u><u>\$ 534,323</u></u>	<u><u>\$ 14,555,040</u></u>	<u><u>\$ 17,322,948</u></u>

As of December 31, 2021

	Creatd Labs	Creatd Ventures	Creatd Partners	Corporate	Total
Accounts receivable, net	\$ -	\$ 2,884	\$ 334,556	\$ -	\$ 337,440
Prepaid expenses and other current assets	48,495	-	-	188,170	236,665
Deposits and other assets	626,529	-	-	92,422	718,951
Intangible assets	-	1,637,924	783,676	11,241	2,432,841
Goodwill	-	25,139	1,349,696	-	1,374,835
Inventory	-	106,403	-	-	106,403
All other assets	-	-	-	3,966,124	3,966,124
Total Assets	\$ 675,024	\$ 1,772,350	\$ 2,467,928	\$ 4,257,957	\$ 9,173,259
Accounts payable and accrued liabilities	\$ 9,693	\$ 766,253	\$ 6,232	\$ 2,948,362	\$ 3,730,540
Note payable, net of debt discount and issuance costs	313,979	-	-	1,028,685	1,342,664
Deferred revenue	161,112	13,477	59,570	-	234,159
All other Liabilities	-	-	-	177,644	177,644
Total Liabilities	\$ 484,784	\$ 779,730	\$ 65,802	\$ 4,154,691	\$ 5,485,007

For the year December 30, 2022

	Creatd Labs	Creatd Ventures	Creatd Partners	Corporate	Total
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 (loss)	(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 not including depreciation, amortization, or Impairment	246,540	592,210	509,757	7,675,921	9,024,428
Depreciation and amortization	-	143,360	132,683	316,096	592,139
Impairment of intangibles	213,141	365,732	-	3,009,121	3,587,994
Total operating expenses	\$ 4,439,837	\$ 3,558,313	\$ 2,177,779	\$ 12,650,920	\$ 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	\$ (4,858,467)	\$ (4,908,707)	\$ (1,755,127)	\$ (19,262,483)	\$ (35,676,315)

	For the year ended December 31, 2021				
	<u>Creatd Labs</u>	<u>Creatd Ventures</u>	<u>Creatd Partners</u>	<u>Corporate</u>	<u>Total</u>
Net revenue	\$ 1,926,374	\$ 90,194	\$ 2,283,149	\$ -	\$ 4,299,717
Cost of revenue	3,186,240	148,989	1,964,808	-	5,300,037
Gross margin	(1,259,866)	(58,940)	318,341	-	(1,000,320)
Research and development	758,293	131	225,104	-	983,528
Marketing	8,182,935	-	962,698	481,349	9,626,982
Stock based compensation	1,727,021	1,560,546	1,884,986	4,488,615	9,661,168
Impairment of goodwill	-	-	1,035,795	-	1,035,795
General and administrative not including depreciation, amortization, or Impairment	3,918,130	1,665,783	1,600,212	2,791,236	9,975,360
Depreciation and amortization	-	100,633	252,730	44,076	397,440
Impairment of intangibles	-	-	688,127	-	688,127
Total operating expenses	\$ 14,586,379	\$ 3,327,093	\$ 6,649,652	\$ 11,803,003	\$ 32,368,400
Interest expense	(12,706)	-	-	(359,400)	(372,106)
All other expenses	-	-	-	(3,638,327)	(3,638,327)
Other expenses, net	(12,706)			(3,997,727)	(4,010,433)
Loss before income tax provision and equity in net loss from unconsolidated investments	\$ (15,858,951)	\$ (3,385,888)	\$ (6,331,311)	\$ (11,803,003)	\$ (37,379,153)

Note 14 –Income Taxes

Components of deferred tax assets are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net deferred tax assets – Non-current:		
Depreciation	\$ (24,850)	\$ (70,194)
Amortization	(876,459)	95,115
Stock based compensation	5,545,450	4,369,372
Expected income tax benefit from NOL carry-forwards	20,744,537	15,073,606
Less valuation allowance	(25,388,679)	(19,467,900)
Deferred tax assets, net of valuation allowance	<u>\$ -</u>	<u>\$ -</u>

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, 2021</u>	<u>For the Year Ended December 31, 2021</u>
Federal statutory income tax rate	21.0%	21.0%
State tax rate, net of federal benefit	<u>7.1%</u>	<u>7.1%</u>
Change in valuation allowance on net operating loss carry-forwards	<u>(28.1)%</u>	<u>(28.1)%</u>

Effective income tax rate	<u>0.0%</u>	<u>0.0%</u>
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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, 2022 and 2021. Accordingly, management had applied a full valuation allowance against net deferred tax assets as of December 31, 2022 and 2021.

As of December 31, 2022, the Company had approximately \$74 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% of 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 15 – Subsequent Events

Increase in Authorized Shares

On January 18, 2023, upon approval from our board of directors and stockholders, we filed Second Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada for the purpose of increasing our authorized shares of Common Stock to 1,500,000,000.

Note Conversions

Subsequent to December 31, 2022, \$1,417,782 in principal of three convertible notes converted into 6,946,851 shares of common stock.

Note Repayments and Warrant Cancellations

Subsequent to December 31, 2022, the Company repaid \$1,500,000 in convertible notes, resulting in the cancellation of 1,216,008 warrants, per the Restructuring Agreements entered into on September 15, 2022.

Securities Purchase Agreements

Subsequent to December 31, 2022, the Company entered into a Securities Purchase Agreement with an investor to purchase 1,562,500 shares of common stock for gross proceeds of \$750,000.

Convertible Notes

Subsequent to December 31, 2022, the Company entered into 3 convertible promissory notes with 3 investors for proceeds of \$2,364,250.

Minority Investment in OG Collection, Inc.

Subsequent to December 31, 2022, 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.

Additional Purchase of Orbit Media, LLC

Subsequent to December 31, 2022, the Company acquired an additional 5% of the membership interests of Orbit Media, LLC., bringing our total membership interests to 56%. Orbit Media LLC., has been consolidated due to the Company’s ownership of 85% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

February 2023 Warrant Exchange

On February 10, 2023 the Company entered into a letter agreement (the “Letter Agreement”), between Creatd and the respective holders of an aggregate of 2,161,415 warrants (the “Warrants”) to issue to the holders, for each Warrant held by such Selling Stockholder, one new warrant to purchase one share of the Company’s common stock in exchange for the immediate exercise of the Warrants. The new warrants are exercisable immediately, for a term of 60 months, at a price of \$0.77, subject to customary adjustment provisions.

March 2023 Warrant Exchange

On March 6, 2023 the Company entered a letter agreement (the “Letter Agreement”), between Creatd, Inc. and the respective holders of an aggregate of 1,607,050 warrants (the “Warrants”) to issue to the holders, for each Warrant held by such Selling Stockholder, one new warrant to purchase one share of the Company’s common stock in exchange for the immediate exercise of the Warrants. The new warrants are exercisable immediately, for a term of 60 months, at a price of \$0.77, subject to customary adjustment provisions.

Additional Purchase of Dune, Inc.

Subsequent to December 31, 2022, 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 over 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

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Additional Purchase of WHE Agency, Inc.

Subsequent to December 31, 2022, the Company acquired an additional 51% of the equity interest in WHE Agency, Inc. bringing our total ownership to 95%. WHE Agency, Inc., has been consolidated due to the Company's ownership of over 50% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

Consultant Shares

Subsequent to December 31, 2022, the Company issued 3,142,780 shares of Common Stock to consultants.

Employee & Officer Equity Awards

Subsequent to December 31, 2022, in recognition of certain employees having accepted reduced salaries beginning August 22, 2023, the Company issued equity awards totaling 7,512,918 shares to non-officer employees and 18,250,319 to officers of the Company. The fair value of these issuances is \$16,134,193 and the Company will be paying approximately \$3,477,062 in payroll taxes on behalf of employees receiving these awards.

Equity Line of Credit

Subsequent to December 31, 2022, the Company drew down from its outstanding Equity Line of Credit for total proceeds of \$300,000.

Item 14 The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker
2. Promoter
3. Securities Counsel:

Joseph Lucosky
Lucosky Brookman, LP
(212) 417-8160
info@lucbro.com

4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.

MACK Financial Consultants.

i. Provides bookkeeping services, financial statement preparation, and other financial preparation services for the Company's quarterly reviews and annual audits. Management provides MACK with all financial information, including any equity transactions, debt transactions and/or debt balances for the period, and basic bookkeeping. MACK prepares the data into workpapers to present to the auditor. Any testing done by the auditor is handled jointly by Management and MACK. The firm is run by Max Avellaneda and Chelsea Pullano.

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.

Phone number: 585-943-5824

Email: info@mackfsllc.com

Astra Audit and Advisory

I. PCAOB-registered Audit Firm that provides audit and review services for the Company. Receives all financial information and workpapers from Management and MACK Financial jointly and conducts a full GAAP and

PCAOB compliant Audit/Review based on the reporting period. Primary contact and auditor is Astra Partner, Alison Douglas.

Phone number: 813-441-9707

Email: info@astraaudit.com

5. Public Relations Consultant
6. Investor Relations Consultant
7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the name, address, telephone number and email address of each advisor.

Item 15 Management's Discussion and Analysis or Plan of Operation.

Instructions to Item 15

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure statement, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

1. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:
 - i. a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;
 - ii. a summary of any product research and development that the issuer will perform for the term of the plan;
 - iii. any expected purchase or sale of plant and significant equipment; and
 - iv. any expected significant changes in the number of employees.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

C. Full fiscal years. Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

- i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;
- ii. Internal and external sources of liquidity;
- iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;
- iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;
- v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;
- vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and
- vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

2. **Interim Periods.** Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

D. Off-Balance Sheet Arrangements.

1. In a separately-captioned section, discuss the issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The disclosure shall include the items specified in paragraphs C(1)(i), (ii), (iii) and (iv) of this Item 15 to the extent necessary to an understanding of such arrangements and effect and shall also include such other information that the issuer believes is necessary for such an understanding.

- i. The nature and business purpose to the issuer of such off-balance sheet arrangements;
- ii. The importance to the issuer of such off-balance sheet arrangements in

respect of its liquidity, capital resources, market risk support, credit risk support or other benefits;

- iii. The amounts of revenues, expenses and cash flows of the issuer arising from such arrangements; the nature and amounts of any interests retained, securities issued and other indebtedness incurred by the issuer in connection with such arrangements; and the nature and amounts of any other obligations or liabilities (including contingent obligations or liabilities) of the issuer arising from such arrangements that are or are reasonably likely to become material and the triggering events or circumstances that could cause them to arise; and
- iv. Any known event, demand, commitment, trend or uncertainty that will result in or is reasonably likely to result in the termination, or material reduction in availability to the issuer, of its off-balance sheet arrangements that provide material benefits to it, and the course of action that the issuer has taken or proposes to take in response to any such circumstances.

2. As used in paragraph C of this Item 15, the term off-balance sheet arrangement means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the issuer is a party, under which the issuer has:

- i. Any obligation under a guarantee contract that has any of the characteristics identified in Financial Accounting Standards Board("FASB") Accounting Standards Codification ("ASC") Topic 460-10, Guarantees; formerly FIN 45;
- ii. A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;
- iii. Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the issuer's own stock and classified in stockholders' equity in the issuer's statement of financial position, and therefore excluded from the scope of FASB ASC 815, Derivatives and hedging; formerly FAS 133; or
- iv. Any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB ASC 810, Consolidation; formerly FIN 46R) in an unconsolidated entity that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Instructions to paragraph C of Item 15

- i. No obligation to make disclosure under paragraph C of this Item 15 shall arise in respect of an off-balance sheet arrangement until a definitive agreement that is unconditionally binding or subject only to customary closing conditions exists

or, if there is no such agreement, when settlement of the transaction occurs.

- ii. Issuers should aggregate off-balance sheet arrangements in groups or categories that provide material information in an efficient and understandable manner and should avoid repetition and disclosure of immaterial information. Effects that are common or similar with respect to a number of off-balance sheet arrangements must be analyzed in the aggregate to the extent the aggregation increases understanding. Distinctions in arrangements and their effects must be discussed to the extent the information is material, but the discussion should avoid repetition and disclosure of immaterial information.
- iii. For purposes of paragraph C of this Item 15 only, contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- iv. Generally, the disclosure required by paragraph C of this Item 15 shall cover the most recent fiscal year. However, the discussion should address changes from the previous year where such discussion is necessary to an understanding of the disclosure.

In satisfying the requirements of paragraph C of this Item 15, the discussion of off-balance sheet arrangements need not repeat information provided in the footnotes to the financial statements, provided that such discussion clearly cross-references to specific information in the relevant footnotes and integrates the substance of the footnotes into such discussion in a manner designed to inform readers of the significance of the information that is not included within the body of such discussion.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Annual Report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to those set forth in "Part I - Item 1A. Risk Factors."

These financial statements and other reports filed by Creatd, Inc., formerly Jerick Media Holdings, Inc. (the "Company"), from time to time with the OTC or otherwise provided to current and prospective stakeholders (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the Filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and similar expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors, including the risks relating to the Company's business, industry, and the Company's operations and results of operations. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

We intend for this discussion to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements.

Overview

The creator economy is well-established and thriving, consisting of hundreds of millions of creators and billions of viewers. Creatd plays a crucial role within this ecosystem, with a range of businesses established to help creators realize their potential both creatively and monetarily, partnering with peers in their community and brands when the opportunity arises. At the center of our businesses lies Vocal, our core technology platform that hosts our creator community and generates the first-party data that powers our revenue generation.

Results of Operations

Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at December 31, 2024 compared to December 31, 2023:

	December 31, 2024	December 31, 2023	Increase / (Decrease)
Current Assets	\$ 85,166	\$ 73,255	\$ 11,911
Current Liabilities	\$ 11,287,766	\$ 26,179,577	\$(14,891,811)
Working Capital (Deficit)	\$ (11,202,600)	\$ (26,106,322)	\$ 14,903,722

At December 31, 2024, the Company had a working capital deficit of \$11,202,600 as compared to a working capital deficit of \$26,106,322 at December 31, 2023, a decrease in working capital deficit of \$14,903,722. The decrease is primarily attributable to a decrease in accounts payable and accrued liabilities, as well as a decrease in derivative liabilities and notes payable.

Net Cash

Net cash used in operating activities for the years ended December 31, 2024, and 2023, was \$431,071 and \$3,248,666, respectively. The net loss for the years ended December 31, 2024, and 2023 was \$4,670,011 and \$38,994,528, respectively. This \$2.8 million reduction in net cash used in operating activities is primarily attributable to a reduction in research & development, marketing, and compensation expenses.

Net cash used in investing activities for the year ended December 31, 2024, was \$0. Comparatively, net cash used investing activities for the year ended December 31, 2023, was \$231,463. This amount was also primarily attributable to the sale of minority interest in OG Collection, Inc., offset by the sale and purchase of digital assets.

Net cash provided by financing activities for the years ended December 31, 2024, and 2023 was \$496,880 and \$2,418,194, respectively. During the year ended December 31, 2024, the Company's operations were predominantly financed by the proceeds from sale of common and preferred stock and warrants of \$431,600. For the year ended December 31, 2023, the Company's operations were predominantly financed by net proceeds of \$1,047,811 from the exercise of warrants and the proceeds from sale of common stock and warrants of \$1,727,143.

Summary of Statements of Operations for the Years Ended December 31, 2024 and 2023:

	Year Ended December 31	
	2024	2023
Revenue	\$ 1,498,874	\$ 1,916,453
Cost of revenue	\$ (63,144)	\$ (808,315)
Operating expenses	\$ (13,772,951)	\$ (28,343,916)
Loss from operations	\$ (12,337,221)	\$ (27,235,778)
Other income (expenses)	\$ 7,667,210	\$ (10,824,204)
Net loss	\$ (4,670,011)	\$ (38,994,528)
Loss per common share - basic and diluted	\$ (13.69)	\$ (0.61)

Revenue

Revenue was \$1,498,874 for the year ended December 31, 2024, as compared to \$1,916,453 for the year ended December 31, 2023. The decrease of \$417,579 was primarily attributable to a decrease in Vocal subscription revenue as the company transitioned from a pay-to-play marketing model to an organic growth framework while significantly decreasing marketing spend.

Cost of Revenue

Cost of revenue for the year ended December 31, 2024, was \$63,144 as compared to \$808,315 for the year ended December 31, 2023. The Company saw a decrease in payroll-related cost of revenues due to reduction of salaries and downsizing of staff as the Company implemented austerity measures throughout 2024. This decrease was also driven by a decrease in Vocal-related cost of revenue related to payment of creators through reads and cash prizes offered to Challenge winners.

Operating Expenses

Operating expenses for the year ended December 31, 2024, were \$13,772,951 as compared to \$28,343,916 for the year ended December 31, 2023. The decrease of \$14,570,965 is attributable to a decrease in stock-based compensation, research and development, and marketing expenses.

Loss from Operations

Loss from operations for the year ended December 31, 2024, was \$12,337,221 as compared to \$27,235,778 for the year ended December 31, 2023. The decrease in loss from operations was attributable to the decrease in operating expenses cited above which offset a slight decrease in revenue.

Other Income/Expenses

Other income/expenses for the year ended December 31, 2024, were \$7,667,210 as compared to \$(10,824,204) for the year ended December 31, 2023. The increase is attributable to a decrease of other expenses such as accretion of debt discount and issuance costs as well as a gain on change in derivative liability and gain on settlement of debt.

Net Loss

Net loss attributable to common shareholders for the year ended December 31, 2024, was \$35,132,840, or loss per share of \$13.69, as compared to a net loss attributable to common shareholders of \$71,513,502, or loss per share of \$0.61, for the year ended December 31, 2023. The decrease in net loss is primarily attributable to the decrease in operating expenses and decrease in deemed dividend and other expenses as noted above.

Off-Balance Sheet Arrangements

As of December 31, 2024, we had no off-balance sheet arrangements.

Significant Accounting Policies

We believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating this “Management’s Discussion and Analysis of Financial Condition and Results of Operation.”

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 consolidated 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 consolidated 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.

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 Company assumptions in determining the fair value of investments)

The Company's Level 1 assets/liabilities include cash, accounts receivable, accounts payable, 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, 2024 and 2023 approximate their carrying value as reflected in the consolidated 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 3 assets/liabilities include goodwill, intangible assets, 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.

Long-lived Assets Including Acquired Intangible Assets

The Company evaluates 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 years ended December 31, 2024 and 2023, the Company recorded an impairment charge of \$0 and \$13,334, respectively for intangible assets.

Acquired finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. The Company routinely reviews the remaining estimated useful lives of property and equipment and finite-lived intangible assets. If the Company changes 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, 2024 and 2023, the Company has \$0 and \$0, respectively, intangible assets on its consolidated balance sheets. Amortization expense was \$0 and \$0 for the years ended December 31, 2024 and 2023, respectively.

Minority equity investments

Minority equity investments in private companies in which the Company holds a passive ownership interest and does not exercise significant influence are accounted for using the cost method in accordance with ASC 321. These investments are recorded on the consolidated balance sheets as long-term assets under *Minority investment in business*. The carrying value of such investments is initially recognized at cost and is assessed periodically for impairment or other indicators that the investment may no longer be recoverable. Fair value adjustments are not required unless observable price changes in orderly transactions for the identical or a similar investment become available.

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.

As of December 31, 2024 and December 31, 2023, the Company has an asset of \$5,415 and \$0 of goodwill on its balance sheet, respectively, and recorded an impairment charge of \$0 and \$0 respectively.

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 ASC. 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 statements of operations and comprehensive loss as other income or expense. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the date of conversion or exercise or cancellation and then the related fair value is reclassified to equity. Upon extinguishment or cancellation of a derivative instrument, any difference between the fair value and the settlement amount is recognized as a gain or loss under change in derivative liability on the statement of operations.

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 in the Company’s outstanding Equity Line of Credit 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.

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 mille 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.

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, 2024 and 2023, the Company had deferred revenue of \$146,951 and \$266,037 respectively.

Stock-Based Compensation

The Company recognizes a compensation expense for all equity-based payments granted in accordance with Accounting Standards Codification 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.

Recently Adopted Accounting Guidance

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 aims to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM") and included within each reported measure of segment profit or loss. The update also requires disclosure regarding the CODM and expands the interim segment disclosure requirements. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-07 did not have a material impact on the Company's consolidated financial statements.

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, 2023, including interim periods within that fiscal year. The adoption of the guidance did not have a material impact on the Company's consolidated financial statements.

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.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09 – *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances income tax disclosure requirements by:

- Standardizing and disaggregating rate reconciliation categories.
- Requiring disclosure of income taxes paid by jurisdiction.

This ASU is effective for annual periods beginning after December 15, 2024, and may be applied on a prospective or retrospective basis. Early adoption is permitted.

The Company is currently assessing the impact of ASU 2023-09 on its income tax disclosures and reporting requirements.

Part E Issuance History

Item 16 List of securities offerings and shares issued for services in the past two years.

- A. List below any events, in chronological order, that resulted in direct changes to the total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

The list shall include all offerings of securities, including debt convertible into equity securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);
- (ii) Any jurisdictions where the offering was registered or qualified;
- (iii) The number of shares offered;
- (iv) The number of shares sold;
- (v) The price at which the shares were offered, and the amount actually paid to the issuer;
- (vi) The trading status of the shares, whether they are restricted or unrestricted; and
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

The list shall also include all shares or any other securities or options to acquire such securities issued for services in the past two fiscal years and any interim periods, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than five percent (5%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

Shares Outstanding Opening Balance: Date: 1/1/2023 Common: 78,125 Preferred: 450	*Right-click the rows below and select "Insert" to add rows as needed.
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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.
1/17/2023	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
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 Lupp	Services	Restricted	N/A
4/26/2023	Issuance	500	Common	\$57	No	Lupp Ministries; John Lupp	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
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 Lupp	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 Lupp	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
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 FAmily 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
1/4/2024	Issuance	14,704	Common	\$1.89	Yes	Coventry Enterprises LLC; Jack Bodenstein	Cash	Unrestricted	S-1
1/9/2024	Issuance	20,000	Common	\$5.00	No	Joseph Reda	Note Conversion	Unrestricted	Rule 144
1/10/2024	Issuance	14,000	Common	\$2.00	No	Quick Capital LLC; Eilon Natan	Loan Incentive	Restricted	N/A
1/24/2024	Issuance	18,920	Common	\$3.40	No	Misc.	Reverse Split Rounding	Various	N/A
2/9/2024	Issuance	364	Preferred	\$1,000	No	Andrew Arno	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	480	Preferred	\$1,000	No	Anson East Master Fund LP; Amin Nathoo	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	1,915	Preferred	\$1,000	No	Anson Investments Master Fund LP; Amin Nathoo	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	142	Preferred	\$1,000	No	Brio Capital Master Fund Ltd.; Shaye Hirsch	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	20	Preferred	\$1,000	No	Daniel Ripp	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	2,253	Preferred	\$1,000	No	Dorado Goose LLC; Tommy Wang	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	595	Preferred	\$1,000	No	Gregory Castaldo	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	30	Preferred	\$1,000	No	James Satloff TTEE Dustin Nathaniel Satloff 06/01/93	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	30	Preferred	\$1,000	No	James Satloff TTEE Jean Satloff Trust 08/07/96	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	30	Preferred	\$1,000	No	James Satloff & Emily Satloff JTEN	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	30	Preferred	\$1,000	No	James Satloff TTEE Emily U Satloff FAMily Trust 03/25/93	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	198	Preferred	\$1,000	No	Jonathan Schechter	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	1,216	Preferred	\$1,000	No	Joseph Reda	Conversion into Preferred	Restricted	N/A
2/9/2024	Issuance	410	Preferred	\$1,000	No	L1 Capital Global Opportunities Master Fund; David Feldman	Conversion into Preferred	Restricted	N/A
2/12/2024	Issuance	16,424	Common	\$5	No	Joseph Reda	Note Conversion	Unrestricted	Rule 144
2/28/2024	Issuance	2,300	Common	\$4.90	No	Gina Callea	Services	Restricted	N/A
3/12/2024	Issuance	10,000	Common	\$6.60	No	Brian McLain	Services	Restricted	N/A
3/12/2024	Issuance	7,143	Common	\$3.50	Yes	Leonard Schiller	Cash	Restricted	N/A
3/12/2024	Issuance	10,000	Common	\$6.60	No	John Lupp	Services	Restricted	N/A
3/14/2024	Issuance	15,000	Common	\$8	No	Network 1 Advisory	Services	Restricted	N/A
3/15/2024	Issuance	1,287	Common	\$3.50	Yes	John Lupp	Note Conversion	Restricted	N/A
3/15/2024	Issuance	16,000	Common	\$5	No	Anson East Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Restricted	N/A
3/15/2024	Issuance	64,000	Common	\$5	No	Anson Investments Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Restricted	N/A

3/15/2024	Issuance	80,000	Common	\$5	No	Joseph Reda	Conversion of Preferred to Common	Restricted	N/A
3/15/2024	Issuance	39,600	Common	\$5	No	Jonathan Schechter	Conversion of Preferred to Common	Restricted	N/A
3/15/2024	Issuance	40,000	Common	\$5	No	Gregory Castaldo	Conversion of Preferred to Common	Restricted	N/A
3/18/2024	Issuance	72,800	Common	\$5	No	Andrew Arno	Conversion of Preferred to Common	Restricted	N/A
3/18/2024	Rescission	-343	Common	\$12.50	No	Andrew Arno	Cancellation of Note Conversion	N/A	N/A
3/19/2024	Issuance	5,000	Common	\$8	No	Auctus Fund LLC; Lou Posner	Note Conversion	Unrestricted	S-1
3/20/2024	Issuance	24,000	Common	\$5	No	James Satloff	Conversion of Preferred to Common	Restricted	N/A
3/22/2024	Issuance	51,895	Common	\$5	No	MACK Financial Solutions LLC; Chelsea Pullano	Services	Restricted	N/A
3/26/2024	Issuance	23,848	Common	\$3.52	Yes	Coventry Enterprises LLC; Jack Bodenstein	Cash	Unrestricted	S-1
3/26/2024	Issuance	3,500	Common	\$4.75	No	FirstFire Global Opportunities Fund LLC; Eli Fireman	Loan Incentive	Restricted	N/A
3/25/2024	Issuance	3,000	Common	\$5.57	No	Quick Capital LLC; Eilon Natan	Loan Incentive	Restricted	N/A
4/8/2024	Issuance	10,000	Common	\$2.50	Yes	Alan Eckard	Cash	Restricted	N/A
4/22/2024	Issuance	172,550	Common	\$1.81	No	Jeremy Frommer	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	102,938	Common	\$1.81	No	Justin Maury	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	72,928	Common	\$1.81	No	Robert Tal	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	18,508	Common	\$1.81	No	Christopher Riggio	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	17,698	Common	\$1.81	No	Gina Bochis	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	65,052	Common	\$1.81	No	Aya Abitbul	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	103,545	Common	\$1.81	No	Peter Majar	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	38,546	Common	\$1.81	No	Erica Wagner	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	30,357	Common	\$1.81	No	Eric Pickens	Payable Conversion	Restricted	N/A
4/22/2024	Issuance	69,723	Common	\$1.81	No	MACK Financial Solutions LLC; Chelsea Pullano	Payable Conversion	Restricted	N/A
5/17/2024	Rescission	-10,000	Common	\$2.30	No	Brian McLain	Services	Restricted	N/A
4/22/2024	Issuance	11,436	Common	\$1.81	No	Gina Callea	Services	Restricted	N/A
5/28/2024	Issuance	55,000	Common	\$1.80	No	Thinkmill Investments Unit Trust; Jed Watson & Boris Bozic	Services	Restricted	N/A
6/7/2024	Issuance	14,706	Common	\$1.79	No	Eric Pickens	Payable Conversion	Restricted	N/A

6/7/2024	Issuance	43,015	Common	\$1.79	No	MACK Financial Solutions LLC; Chelsea Pullano	Payable Conversion	Restricted	N/A
6/7/2024	Issuance	39,152	Common	\$1.79	No	Justin Maury	Payable Conversion	Restricted	N/A
6/7/2024	Issuance	40,586	Common	\$1.79	No	Robert Tal	Payable Conversion	Restricted	N/A
6/7/2024	Issuance	30,054	Common	\$1.79	No	Erica Wagner	Payable Conversion	Restricted	N/A
6/7/2024	Issuance	9,375	Common	\$1.79	No	Gina Bochis	Payable Conversion	Restricted	N/A
6/7/2024	Issuance	42,647	Common	\$1.79	No	Peter Majar	Payable Conversion	Restricted	N/A
6/25/2024	Issuance	82,000	Common	\$5.00	No	L1 Capital Global Opportunities Master Fund; David Feldman	Conversion of Preferred to Common	Restricted	N/A
6/25/2024	Issuance	163,200	Common	\$5.00	No	Joe Reda	Conversion of Preferred to Common	Restricted	N/A
6/25/2024	Issuance	28,400	Common	\$5.00	No	Brio Capital Master Fund Ltd.; Shaye Hirsch	Conversion of Preferred to Common	Restricted	N/A
6/27/2024	Issuance	38,000	Common	\$5.00	No	Anson East Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Restricted	N/A
6/27/2024	Issuance	152,000	Common	\$5.00	No	Anson Investments Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Restricted	N/A
6/27/2024	Issuance	79,000	Common	\$5.00	No	Gregory Castaldo	Conversion of Preferred to Common	Restricted	N/A
6/26/2024	Issuance	45,858	Common	\$1.59	No	Justin Maury	Payable Conversion	Restricted	N/A
6/26/2024	Issuance	16,332	Common	\$1.59	No	Jeremy Frommer	Payable Conversion	Restricted	N/A
6/26/2024	Issuance	45,858	Common	\$1.59	No	Robert Tal	Payable Conversion	Restricted	N/A
6/26/2024	Issuance	42,308	Common	\$1.59	No	Peter Majar	Payable Conversion	Restricted	N/A
6/26/2024	Issuance	8,588	Common	\$1.59	No	Aya Abitbul	Payable Conversion	Restricted	N/A
6/26/2024	Issuance	25,642	Common	\$1.59	No	MACK Financial Solutions LLC; Chelsea Pullano	Payable Conversion	Restricted	N/A
6/26/2024	Issuance	32,118	Common	\$1.59	No	Erica Wagner	Payable Conversion	Restricted	N/A
7/2/2024	Issuance	231,815	Common	\$1.18	No	FirstFire Global Opportunities Fund LLC; Eli Fireman	Note Conversion	Unrestricted	Rule 144
7/5/2024	Issuance	2,060	Common	\$1.10	No	James Satloff	Loan Incentive	Restricted	N/A
7/8/2024	Issuance	9,615	Common	\$1.07	No	Gina Callea	Services	Restricted	N/A
7/10/2024	Issuance	275,000	Common	\$1.20	No	Quick Capital LLC; Eilon Natan	Note Conversion	Unrestricted	Rule 144
7/15/2024	Issuance	128,205	Common	\$0.32	Yes	Coventry Enterprises LLC; Jack Bodenstein	Note Conversion	Unrestricted	Rule 144

7/17/2024	Issuance	16,578	Common	\$1.00	No	Hollywall Entertainment; Roxanna Green	Shares Issued for Acquisition	Restricted	N/A
7/22/2024	Issuance	171,039	Common	\$0.78	No	1800 Diagonal Lending LLC; Curt Kramer	Note Conversion	Unrestricted	Rule 144
7/22/2024	Issuance	10,461	Common	\$0.90	No	1800 Diagonal Lending LLC; Curt Kramer	Loan Incentive	Unrestricted	Rule 144
7/24/2024	Issuance	165,000	Common	\$0.94	No	Thinkmill Investments Unit Trust; Jed Watson & Boris Bozic	Services	Restricted	N/A
7/25/2024	Issuance	20,000	Common	\$5.00	No	Anson East Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Unrestricted	S-1
7/25/2024	Issuance	80,000	Common	\$5.00	No	Anson Investments Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Unrestricted	S-1
7/26/2024	Issuance	35,000	Common	\$1.09	No	Studio96; Ayelet Abitbul	Shares Issued for Acquisition	Restricted	N/A
7/29/2024	Issuance	81,924	Common	\$1.20	No	Auctus Fund LLC; Lou Posner	Note Conversion	Unrestricted	Rule 144
7/31/2024	Issuance	11,400	Common	\$5.00	No	Anson East Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Unrestricted	S-1
7/31/2024	Issuance	45,600	Common	\$5.00	No	Anson Investments Master Fund LP; Amin Nathoo	Conversion of Preferred to Common	Unrestricted	S-1
8/1/2024	Issuance	4,000	Common	\$5.00	No	Daniel Ripp	Conversion of Preferred to Common	Restricted	N/A
8/13/2024	Issuance	125,000	Common	\$0.85	No	AKJO-26, LLC; Albert Makali	Services	Restricted	N/A
8/20/2024	Issuance	5,000	Common	\$0.84	No	Gladstone Corporation; Stan Elbaum	Services	Restricted	N/A
8/20/2024	Issuance	5,000	Common	\$0.84	No	Gina Callea	Services	Restricted	N/A
8/27/2024	Issuance	67	Preferred	750	No	Joseph Reda	Cash	Restricted	N/A
8/28/2024	Issuance	134	Preferred	750	No	Christian Johnson	Services	Restricted	N/A
8/30/2024	Issuance	62	Preferred	\$750	No	Joe Reda	Note Conversion	Restricted	N/A
8/30/2024	Issuance	62	Preferred	\$750	No	Richard Molinsky	Note Conversion	Restricted	N/A
9/3/2024	Issuance	435	Preferred	\$750	No	Dorado Goose LLC; Tommy Wang	Note Conversion	Restricted	N/A
9/6/2024	Issuance	34	Preferred	750	No	Dorado Goose LLC; Tommy Wang	Note Conversion	Restricted	N/A
9/12/2024	Issuance	161,346	Common	\$0.26	Yes	Coventry Enterprises LLC; Jack Bodenstein	Note Conversion	Unrestricted	Rule 144
9/19/2024	Issuance	34	Preferred	750	No	Joe Reda	Cash	Restricted	N/A
9/20/2024	Issuance	34	Preferred	750	No	Dorado Goose LLC; Tommy Wang	Cash	Restricted	N/A
9/27/2024	Issuance	456	Common	\$0.38	No	Erica Wagner	Services	Restricted	N/A
9/27/2024	Issuance	116	Common	\$0.38	No	Peter Majar	Services	Restricted	N/A
9/30/2024	Cancellation	-172,550	Common	\$0.42	N/A	Jeremy Frommer	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-102,938	Common	\$0.42	N/A	Justin Maury	Cancellation of Payable Conversion	N/A	N/A

9/30/2024	Cancellation	-72,928	Common	\$0.42	N/A	Robert Tal	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-18,508	Common	\$0.42	N/A	Christopher Riggio	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-17,698	Common	\$0.42	N/A	Gina Bochis	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-65,052	Common	\$0.42	N/A	Aya Abitbul	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-103,545	Common	\$0.42	N/A	Peter Majar	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-38,546	Common	\$0.42	N/A	Erica Wagner	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-69,723	Common	\$0.42	N/A	MACK Financial Solutions; Chelsea Pullano	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-43,015	Common	\$0.42	N/A	MACK Financial Solutions; Chelsea Pullano	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-39,152	Common	\$0.42	N/A	Justin Maury	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-40,586	Common	\$0.42	N/A	Robert Tal	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-30,054	Common	\$0.42	N/A	Erica Wagner	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-9,375	Common	\$0.42	N/A	Gina Bochis	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-42,647	Common	\$0.42	N/A	Peter Majar	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-45,858	Common	\$0.42	N/A	Justin Maury	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-16,332	Common	\$0.42	N/A	Jeremy Frommer	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-45,858	Common	\$0.42	N/A	Robert Tal	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-42,308	Common	\$0.42	N/A	Peter Majar	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-8,588	Common	\$0.42	N/A	Aya Abitbul	Cancellation of Payable Conversion	N/A	N/A

9/30/2024	Cancellation	-25,642	Common	\$0.42	N/A	MACK Financial Solutions; Chelsea Pullano	Cancellation of Payable Conversion	N/A	N/A
9/30/2024	Cancellation	-32,118	Common	\$0.42	N/A	Erica Wagner	Cancellation of Payable Conversion	N/A	N/A
10/1/24	Cancellation	-23,000	Common	\$5.00	N/A	Anson East Master Fund LP; Amin Nathoo	Recission of Preferred Conversion to Common	N/A	N/A
10/1/24	Cancellation	-92,000	Common	\$5.00	N/A	Anson Investments Master Fund LP; Amin Nathoo	Recission of Preferred Conversion to Common	N/A	N/A
10/1/24	Issuance	224	Preferred	\$100.00	No	Aya Abitbul	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	140	Preferred	\$100.00	No	Christopher Riggio	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	331	Preferred	\$100.00	No	Erica Wagner	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	642	Preferred	\$100.00	No	Jeremy Frommer	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	636	Preferred	\$100.00	No	Justin Maury	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	563	Preferred	\$100.00	No	MACK Financial Solutions	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	630	Preferred	\$100.00	No	Peter Majar	Shares issued for settlement of liabilities	Restricted	N/A
10/1/24	Issuance	632	Preferred	\$100.00	No	Robert Tal	Shares issued for settlement of liabilities	Restricted	N/A
11/6/24	Issuance	150,000	Common	\$0.36	Yes	Coventry Enterprises LLC; Jack Bodenstein	Common stock issued upon conversion of notes payable	Unrestricted	S-1
11/7/24	Issuance	107,689	Common	\$0.72	No	Thinkmill Investments Unit Trust; Jed Watson & Boris Bozic	Stock based compensation	Restricted	N/A
11/11/24	Issuance	333,333	Common	\$1.00	No	ThePowerhouse LLC; Samuel Bernstein	Shares issued for acquisition of minority interest	Restricted	N/A
11/12/24	Issuance	185,000	Common	\$0.79	No	Jessica Skube	Shares issued for settlement of liabilities	Restricted	N/A
11/18/24	Issuance	13,333	Common	\$0.90	No	Richard Molinsky	Cash received for common stock	Restricted	N/A
11/18/24	Issuance	13,333	Common	\$0.90	No	Leonard Schiller	Cash received for common stock	Restricted	N/A

11/25/24	Issuance	48,458	Common	\$0.83	No	Brio Financial; David Briones	Shares issued for settlement of liabilities	Restricted	N/A
11/25/24	Issuance	108	Preferred	\$750.00	No	Brio Financial; David Briones	Shares issued for settlement of liabilities	Restricted	N/A
11/25/24	Issuance	388,889	Common	\$0.83	No	Lucosky Brookman; Joseph Lucosky & Seth Brookman	Shares issued for settlement of liabilities	Restricted	N/A
11/25/24	Issuance	867	Preferred	\$750.00	No	Lucosky Brookman; Joseph Lucosky & Seth Brookman	Shares issued for settlement of liabilities	Restricted	N/A
11/26/24	Issuance	39,824	Common	\$0.83	No	Enzyloitics Inc; Harry Zhabilov	Shares issued for acquisition of marketable securities	Restricted	N/A
12/2/24	Issuance	57,635	Common	\$0.17	Yes	Coventry Enterprises LLC; Jack Bodenstein	Common stock issued upon conversion of notes payable	Unrestricted	S-1
12/10/24	Issuance	37,500	Common	\$0.61	No	FirstFire Global Opportunities Fund LLC; Eli Fireman	Cash received for common stock	Restricted	N/A
12/10/24	Issuance	62,500	Common	\$0.61	No	Quick Capital LLC; Eilon Natan	Cash received for common stock	Restricted	N/A
12/18/24	Issuance	5,198	Common	\$0.40	No	Thinkmill Investments Unit Trust; Jed Watson & Boris Bozic	Services	Restricted	N/A
12/23/24	Issuance	800	Common	\$0.40	No	Lindy Tsang	Shares issued for settlement of liabilities	Restricted	N/A
12/23/24	Issuance	12,600	Common	\$0.40	No	R&L Life; Rachael Simari	Shares issued for settlement of liabilities	Restricted	N/A

- B. List below and describe any issuance of Promissory Notes, Convertible Notes, or Convertible Debentures. In responding to this item, please provide the date of execution of the Note or the Agreement, a description of the reason for the issuance, the outstanding balance and any interest accrued. Provide the maturity dates for each Note or Agreement, their conversion terms, names of beneficial owners or holders and the exact class of security such Notes or Agreement may be converted to. Also, specify if the Note is Secured or Unsecured and whether or not it is in Default.

Date of Note Issuance	Outstanding Balance as of 6/30/25 (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
1/13/23	\$0	6/13/2023	\$200	750 Series F Preferred	0	Dorado Goose, LLC; Tommy Wang	Loan

2/1/23	\$0	6/13/2023	\$200	1,250 Series F Preferred	0	Dorado Goose, LLC; Tommy Wang	Loan
3/31/23	\$0	3/31/2024	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.	0	0	1800 Diagonal Lending LLC; Curt Kramer	Loan
4/24/23	\$0	4/24/2024	\$0.78	147,071 common shares	0	1800 Diagonal Lending LLC; Curt Kramer	Loan
5/16/23	\$0	7/27/2024	\$1.20	231,815 common shares	0	FirstFire Global Opportunities Fund; Eli Fireman	Loan
5/24/23	\$0	2/28/2024	\$0	0	0	1800 Diagonal Lending LLC; Curt Kramer	Loan
6/23/23	\$0	12/23/23	\$5.00	0	0	Jeremy Frommer	Loan
7/27/23	\$0	7/27/2024	Variable	0	0	1800 Diagonal Lending LLC; Curt Kramer	Loan
9/27/23	\$0	4/30/2024	\$0.78	34,838 common shares	0	1800 Diagonal Lending LLC; Curt Kramer	Loan
7/31/23	\$0	4/30/24	\$1.20	275,000 common shares	0	Quick Capital, LLC; Eilon Natan	Loan
7/11/23	\$0	7/11/2024	Variable, converted in tranches at different rates	497,186 common shares	0	Coventry Enterprises, LLC; Jack Bodenstein	Loan
10/31/23	\$0	10/31/2024	Variable, converted in tranches at different rates	86,924 common shares	0	Auctus Fund, LLC; Lou Posner	Loan
2/20/24	\$0	12/31/2024	\$750	67 Preferred G Shares	0	Dorado Goose, LLC; Tommy Wang	Loan
3/11/24	\$0	12/31/2024	\$750	134 Preferred G Shares	0	Dorado Goose, LLC; Tommy Wang	Loan
3/13/24	\$1,281,725	9/21/2025	\$8.50	0	150,791	Lind Macro Fund; Jeff	Loan

						Easton	
3/22/24	\$0	12/31/2024	\$750	100 Preferred G Shares	0	Dorado Goose, LLC; Tommy Wang	Loan
4/2/24	\$0	10/2/2024	\$750	133 Preferred G Shares	0	Gregory Castaldo	Loan
4/2/24	\$0	10/2/2024	\$750	38 Preferred G Shares	0	Joseph Reda	Loan
4/2/24	\$0	10/2/2024	\$750	38 Preferred G Shares	0	Richard Molinsky	Loan
4/2/24	\$91,843	4/2/2025	\$0.26	0	357,366 common shares	Unterberg Legacy LLC	Loan
4/12/24	\$0	12/31/2024	\$750	67 Preferred G Shares	0	Dorado Goose, LLC; Tommy Wang	Loan
11/22/24	\$31,817	3/22/25	\$1.00	0	30,000 common shares	Unterberg Legacy Capital, LLC; James Satloff	Loan
4/30/20	\$0	4/1/22	N/A	0	0	Customers Bank; Lyle Cunningham	Loan
9/22/22	\$0	12/1/23	N/A	0	0	Cloudfund LLC; David Glass	Loan
9/22/22	\$0	10/1/23	N/A	0	0	AKF Inc dba FundKite; Alex Shvarts	Loan
4/20/23	\$52,372	4/1/23	N/A	0	0	Arthur Rosen	Loan
6/30/23	\$0	9/1/23	N/A	1,287 common shares	0	John Luppo	Loan
8/23/23	\$0	2/1/25	N/A	0	0	Stripe; Patrick Collison	Loan
9/28/23	\$0	6/1/24	N/A	0	0	Radium Capital; Roy Smith	Loan
4/5/24	\$0	2/1/25	N/A	0	0	1800 Diagonal; Curt Kramer	Loan
5/3/24	\$0	5/1/25	N/A	0	0	Lendocity; Aurelija Sciukas	Loan
5/31/24	\$0	5/1/25	N/A	0	0	Bill.com ; René Lacerte	Loan
8/20/24	\$0	2/1/25	N/A	0	0	Pipe.com ; Luke Voiles	Loan
10/24/24	\$0	4/1/26	N/A	0	0	Stripe; Patrick Collison	Loan

12/30/24	\$0	3/1/25	N/A	0	0	Jeremy Frommer	Loan
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Part F Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

Item 17 Material Contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure statement is posted through www.OTCIQ.com or was entered into not more than two years before such posting. Also include the following contracts:

- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure statement, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;
- 2) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
- 3) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or
- 4) Any material lease under which a part of the property described in the disclosure statement is held by the issuer.

Acquisition of Flewber Global, Inc.

Subsequent to December 31, 2024, the Company completed the acquisition of Flewber Global, Inc. ("Flewber") for total consideration of \$7,618,836.

In connection with the acquisition, the Company raised acquisition-specific funding from both former Flewber equity and debt investors. The Company raised \$276,140 in cash proceeds from former Flewber equity investors and issued 276,140 shares of the Company's common stock in exchange for these funds. In addition, the Company issued 556,140 shares of common stock to former Flewber equity holders in exchange for their prior Flewber equity and new investment, resulting in a total of 832,280 shares of common stock issued as part of the acquisition.

The Company also raised \$1,056,000 in cash from former Flewber debt investors and issued 1,149 shares of Preferred Series G stock in exchange for these funds, accompanied by 1,064,250 warrants to purchase common stock at an exercise price of \$1.00 per share. Additionally, the Company issued 9,342 shares of Preferred Series G stock in exchange for outstanding Flewber debt at the time of the acquisition, along with 7,006,500 warrants to purchase common stock at an exercise price of \$1.00 per share.

As part of the acquisition, the Company also issued 503,558 warrants to purchase common stock at an exercise price of \$1.00 per share to former Flewber debt and equity holders who did not participate in the reinvestment.

Acquisition of PCG Advisory, Inc. and Related Entities

On June 27, 2025, the Company acquired 25% of equity in PCG Advisory, Inc. As consideration for this acquisition, PCG Advisory, Inc. received 12,500 shares of the Company's Series I Preferred stock with a fair value of \$456,250. This minority equity investment was booked in Minority interest in business on the consolidated balance sheets at cost. On June 27, 2025, the Company acquired 25% of equity in PRISM Media Holdings, Inc. As consideration for this acquisition, PRISM Media Holdings, Inc. received 5,000 shares of the Company's Series I Preferred stock with a fair value of \$182,500. This minority equity investment was booked in Minority interest in business on the consolidated balance sheets at cost. On June 27, 2025, the Company acquired 25% of equity in PRISM MediaWire, Inc. As consideration for this acquisition, PRISM MediaWire, Inc. received 2,500 shares of the Company's Series I Preferred stock with a fair value of \$91,250. This minority equity investment was booked in Minority interest in business on the consolidated balance sheets at cost. On June 27, 2025, the Company acquired 20% of equity in AIRHub, Inc. As consideration for this acquisition, AIRHub, Inc. received 3,000 shares of the Company's Series I Preferred stock with a fair value of \$109,500. This minority equity investment was booked in Minority interest in business on the consolidated balance sheets at cost.

Lease of 2020 Cirrus Vision Jet

The Exclusive Aircraft Dry Lease Agreement dated September 9, 2025, is between SEG Jets LLC (Lessor) and Ponderosa Air LLC (Lessee). It provides for the exclusive dry lease of a 2020 Cirrus Vision Jet (SF50, N25MG) for 24 months, beginning upon aircraft delivery and purchase completion. The Lessee, a certified Part 135 operator, assumes full operational control and all associated costs, including crew, fuel, maintenance, insurance, and hangar fees, while paying a monthly rent of \$23,777.77, plus an equal security deposit. The agreement grants Ponderosa Air a Right of First Refusal to extend the lease or match any third-party purchase offer. SEG Jets retains the right to sell the aircraft with 90 days' notice. The aircraft must be maintained to FAA Part 135 standards, insured for no less than \$5 million, and returned in airworthy condition per detailed redelivery requirements. The lease is governed by New York law and constitutes a "true lease" for tax purposes .

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

N/A

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants

Item 18 Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of incorporation or certificate of organization as amended shall be filed.

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Item 19 Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

A. In the following tabular format, provide the information specified in paragraph (B) of this Item 20 with respect to any purchase made by or on behalf of the issuer or any "Affiliated Purchaser" (as defined in paragraph (C) of this Item 19) of shares or other units of any class of the issuer's equity securities.

None

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchased	Column (b) Average Price Paid per Share (or Unit)	Column (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Column (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Month #1 (identify beginning and ending dates)				
Month #2 (identify beginning and ending dates)				
Month #3 (identify beginning and ending dates)				
Total				

B. The table shall include the following information for each class or series of securities for each month included in the period covered by the report:

1. The total number of shares (or units) purchased (Column (a)). Include in this column all issuer repurchases, including those made pursuant to publicly announced plans or programs and those not made pursuant to publicly announced

plans or programs. Briefly disclose, by footnote to the table, the number of shares purchased other than through a publicly announced plan or program and the nature of the transaction (e.g., whether the purchases were made in open-market transactions, tender offers, in satisfaction of the company's obligations upon exercise of outstanding put options issued by the company, or other transactions).

2. The average price paid per share (or unit) (Column (b)).
3. The total number of shares (or units) purchased as part of publicly announced repurchase plans or programs (Column (c)).
4. The maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (Column (d)).

Instructions to paragraphs (B)(3) and (B)(4) of this Item 20:

- a. In the table, disclose this information in the aggregate for all plans or programs publicly announced.
- b. By footnote to the table, indicate:
 - i. The date each plan or program was announced;
 - ii. The dollar amount (or share or unit amount) approved;
 - iii. The expiration date (if any) of each plan or program;
 - iv. Each plan or program that has expired during the period covered by the table; and
 - v. Each plan or program the issuer has determined to terminate prior to expiration, or under which the issuer does not intend to make further purchases.

C. For purposes of this Item 19, "Affiliated Purchaser" means:

1. A person acting, directly or indirectly, in concert with the issuer for the purpose of acquiring the issuer's securities; or
2. An affiliate who, directly or indirectly, controls the issuer's purchases of such securities, whose purchases are controlled by the issuer, or whose purchases are under common control with those of the issuer; *provided, however*, that "Affiliated Purchaser" shall not include a broker, dealer, or other person solely by reason of such broker, dealer, or other person effecting purchases on behalf of the issuer or for its account, and shall not include an officer or director of the issuer solely by reason of that officer or director's participation in the decision to authorize purchases by or on behalf of the issuer.

Item 20 Issuer's Certifications.

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).

I, Jeremy Frommer, certify that:

1. I have reviewed this annual disclosure statement of 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.

Date:

Jeremy Frommer
CEO, CFO

Section Two: Issuers' Continuing Disclosure Obligations

Issuers are considered to have adequate current information publicly available to the extent such information is updated to reflect new developments after the publication of the initial issuer disclosure information. In general, an issuer shall provide updates to the most recent balance sheet, income statement and statement of cash flows, as required under Item 12 above, as well as disclose changes in any other of the above disclosure items no later than 45 days after the end of any fiscal quarter ("Quarterly Updates") and 90 days after the end of any fiscal year ("Annual Updates").

Issuers shall provide updates ("Current Updates") within 10 business days in the event that any of the information contained in the disclosure statement (including information contained in any prior Update) has become materially inaccurate or incomplete, or upon the occurrence of certain events described under the Current Reporting Obligations section. The specific requirements for Quarterly, Annual and Current Updates are set forth below.

Insiders, affiliates and control persons of issuers shall be aware that Rule 144 under the Securities Act requires that adequate current information be publicly available if they wish to sell any of their securities in the public secondary markets.

Quarterly Reporting Obligations

In order to be considered as having adequate current information publicly available, issuers must publish Quarterly Updates to their disclosure statements through www.OTCIQ.com, no later than 45 days after the end of each fiscal quarter. Quarterly Updates should contain responses to the following items, and should follow the format below.

Instruction relating to the preparation of Quarterly Updates:

Issuers shall prepare a document that responds to each item and sub-item below and shall include in its response to a particular item (i) whether a particular item is not applicable or unavailable and (ii) the reason it is not applicable or unavailable.

Quarterly Updates should be published under the report name of “*Quarterly Report*” or “*Interim Financial Report*” for the appropriate fiscal quarter end.

Instructions relating to the preparation of interim disclosure for certain non-U.S. companies:

Companies listed on a Qualified Foreign Exchange that are exempt from SEC registration under a rule other than Exchange Act Rule 12g3-2(b) should provide the following information:

1. Publish the company’s English-language Quarterly and Interim Reports in conjunction with the filing deadlines of the Qualified Foreign Exchange. Upload these documents via www.OTCIQ.com using the reports names “Annual Report,” “Interim Report”, or “Quarterly Report” as applicable.

Item 1 Exact name of the issuer and the address of its principal executive offices.

In answering this item, the issuer shall provide the information required by Items 1 and 2 of the requirements for initial disclosure in Section One of these Guidelines.

Item 2 Shares outstanding.

In answering this item, the issuer shall provide the information required by Item 6 of Section One and provide updates to Item 17 of Section One of these Guidelines with respect to the fiscal quarter end.

Item 3 Interim financial statements.

The issuer shall include financial statements for the most recent fiscal quarter, which quarterly financial statements shall meet the requirements of Item 12 of Section One of these Guidelines, provided, however, that (i) the issuer is not required to provide a statement of changes in stockholders’ equity, and (ii) “*Instruction to Item 12*” contained in Section One of these Guidelines should not be followed; instead, issuers should follow the Instruction set forth below rather than the Instruction contained in Item 12.

Instruction to Item 3: The interim financial statements required by this Item 3 may either be included in the text of the Quarterly Update under the heading of Item 3 or attached at the end of the Quarterly Update. If attached at the end of the Quarterly Update, the disclosure under this Item 3 must (i) state that the interim financial statements are attached at the end of this Quarterly Update, (ii) contain a list describing the financial statements that are attached and (iii) contain a clear cross-reference to the specific location where the information requested by this Item 3 can be found.

Item 4 Management's discussion and analysis or plan of operation.

The issuer shall provide the information required by Item 15 of Section One of these Guidelines.

Item 5 Legal proceedings.

The issuer shall provide the information required by Item 8(a)(11) of Section One of these Guidelines, to the extent not already disclosed in a prior disclosure statement.

Item 6 Defaults upon senior securities.

If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the issuer exceeding 5% of the total assets of the issuer, (i) identify the indebtedness and (ii) state the nature of the default, the amount of the default and the total arrearage as of a recent date.

If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the issuer, give the title of the class and state the nature of the arrearage or delinquency. In the case of a default in the payment of dividends, state the amount and the total arrearage as of a recent date.

The issuer need not respond to this item with respect to any class of securities all of which is held by, or for the account of, the issuer or its totally held subsidiaries. Issuers need not repeat information that has been previously disclosed in a prior disclosure statement, although the issuer shall provide updates regarding previously reported defaults.

Item 7 Other information.

The issuer shall include here responses to any items that the issuer would be required include in a Current Update. See the Current Update section below regarding the information required to be in a Current Update.

Item 8 Exhibits.

The issuer shall either describe or attach any exhibits that are required under Items 18 and 19 of Section One, and which have not already been described or attached in any prior disclosure statement, except that the issuer must describe or attach any amendments to any previously described or attached exhibits.

Item 9 Certifications.

The issuer shall include current certifications, meeting the requirements contained in Item 20 of Section One, relating to the Quarterly Update.

Annual Reporting Obligations

In order to be considered as having adequate current information publicly available, issuers must also publish Annual Updates to their initial disclosure through www.OTCIQ.com, no later than 90 days after the end of each fiscal year.

Instruction relating to the preparation of Annual Updates:

Issuers shall prepare a document that responds to each item and sub-item of Section One of the Guidelines and shall include in its response to a particular item (i) whether a particular item is not applicable or unavailable and (ii) the reason it is not applicable or unavailable. Each Annual Update must contain complete responses to all of the items required by Section One of these Guidelines, even if no changes have occurred since the last Annual Update.

Annual Updates should be published under the report name of “*Annual Report*” for the appropriate fiscal year end.

Specific Note relating to Annual Updates: The “*Instruction to Item 12*” contained in Section One of these Guidelines should not be followed with respect to Annual Updates; instead issuers should follow the instruction set forth below.

Instructions to Item 12: The fiscal year-end financial statements required by Item 12 may either be included in text of the Annual Update under the heading of Item 12 or attached at the end of the Annual Update. If attached at the end of the Annual Update, the disclosure under Item 12 must (i) state that the fiscal year-end financial statements are attached at the end of this Annual Update, (ii) contain a list describing the financial statements that are attached and (iii) contain a clear cross-reference to the specific location where the information requested by Item 12 can be found.

Instructions relating to the preparation of Annual Updates for certain non-U.S. companies:

Companies listed on a Qualified Foreign Exchange that are exempt from SEC registration under a rule other than Exchange Act Rule 12g3-2(b) should provide the following information:

1. Publish the company’s English-language Annual Report in conjunction with the filing deadlines of the Qualified Foreign Exchange. Upload these documents via www.OTCIQ.com under the report name of “Annual Report” for the appropriate fiscal year end.
2. Annually Publish a Supplemental Report via www.OTCIQ.com that contains all of the information required under the “Catch All provision” of SEC Rule 15c2-11. Such a report must be available for a period within the previous 12 months at all times. See www.otcmarkets.com/files/Catchall.pdf.

3. Current Reporting Obligations

Important: The following is a description of events that may be material to the issuer and its securities and that shall be made publicly available by the issuer. Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public.

If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a press release within 4 business days following their occurrence, and posting such press release through www.OTCIQ.com:

1. Entry into a Material Definitive Agreement.

(a) If the issuer has entered into a material definitive agreement not made in the ordinary course of business of the issuer, or into any amendment of such agreement that is material to the issuer, the issuer shall disclose the following information:

(1) the date on which the agreement was entered into or amended, the identity of the parties to the agreement or amendment and a brief description of any material relationship between the issuer or its affiliates and any of the parties, other than in respect of the material definitive agreement or amendment; and

(2) a brief description of the terms and conditions of the agreement or amendment that are material to the issuer.

(b) A "material definitive agreement" means an agreement that provides for obligations that are material to and enforceable against the issuer, or rights that are material to the issuer and enforceable by the issuer against one or more other parties to the agreement, in each case whether or not subject to conditions.

2. Termination of a Material Definitive Agreement.

(a) If a material definitive agreement which was not made in the ordinary course of business of the issuer and to which the issuer is a party is terminated otherwise than by expiration of the agreement on its stated termination date, or as a result of all parties completing their obligations under such agreement, and such termination of the agreement is material to the issuer, the issuer shall disclose the following information:

(1) the date of the termination of the material definitive agreement, the identity of the parties to the agreement and a brief description of any material relationship between the issuer or its affiliates and any of the parties other than in respect of the material definitive agreement;

(2) a brief description of the terms and conditions of the agreement that are material to the issuer;

- (3) a brief description of the material circumstances surrounding the termination;
and
- (4) any material early termination penalties incurred by the issuer.

3. Completion of Acquisition or Disposition of Assets, Including but not Limited to Mergers.

If the issuer or any of its majority-owned subsidiaries has completed the acquisition or disposition of a significant amount of assets, otherwise than in the ordinary course of business, the issuer shall disclose the following information:

- (a) the date of completion of the transaction;
- (b) a brief description of the assets involved;
- (c) the identity of the person(s) from whom the assets were acquired or to whom they were sold and the nature of any material relationship, other than in respect of the transaction, between such person(s) and the issuer or any of its affiliates, or any director or officer of the issuer, or any associate of any such director or officer;
- (d) the nature and amount of consideration given or received for the assets and, if any material relationship is disclosed pursuant to paragraph 3(c) above, the formula or principle followed in determining the amount of such consideration;
- (e) if the transaction being reported is an acquisition and if any material relationship is disclosed pursuant to paragraph 3(c) above, the source(s) of the funds used; and
- (f) if the issuer was a shell company, as that term is defined in paragraph 3 of Item 8.B of these Guidelines, immediately before the transaction, the information that would be required if the issuer were fulfilling its Initial Disclosure Obligations pursuant to Section One of these Guidelines, with such information reflecting the issuer and its securities upon consummation of the transaction.

The term “acquisition” includes every purchase, acquisition by lease, exchange, merger, consolidation, succession or other acquisition, except that the term does not include the construction or development of property by or for the issuer or its subsidiaries or the acquisition of materials for such purpose.

The term “disposition” includes every sale, disposition by lease, exchange, merger, consolidation, mortgage, assignment or hypothecation of assets, whether for the benefit of creditors or otherwise, abandonment, destruction, or other disposition.

4. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of an Issuer.

- (a) If the issuer becomes obligated on a direct financial obligation that is material to the issuer, the issuer shall disclose the following information:

(1) the date on which the issuer becomes obligated on the direct financial obligation and a brief description of the transaction or agreement creating the obligation;

(2) the amount of the obligation, including the terms of its payment and, if applicable, a brief description of the material terms under which it may be accelerated or increased and the nature of any recourse provisions that would enable the issuer to recover from third parties; and

(3) a brief description of the other terms and conditions of the transaction or agreement that are material to the issuer.

(b) If the issuer becomes directly or contingently liable for an obligation that is material to the issuer arising out of an off-balance sheet arrangement, the issuer shall disclose the following information:

(1) the date on which the issuer becomes directly or contingently liable on the obligation and a brief description of the transaction or agreement creating the arrangement and obligation;

(2) a brief description of the nature and amount of the obligation of the issuer under the arrangement, including the material terms whereby it may become a direct obligation, if applicable, or may be accelerated or increased and the nature of any recourse provisions that would enable the issuer to recover from third parties;

(3) the maximum potential amount of future payments (undiscounted) that the issuer may be required to make, if different; and

(4) a brief description of the other terms and conditions of the obligation or arrangement that are material to the issuer.

5. Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

(a) If a triggering event causing the increase or acceleration of a direct financial obligation of the issuer occurs and the consequences of the event are material to the issuer, the issuer shall disclose the following information:

(1) the date of the triggering event and a brief description of the agreement or transaction under which the direct financial obligation was created and is increased or accelerated;

(2) a brief description of the triggering event;

(3) the amount of the direct financial obligation, as increased if applicable, and the terms of payment or acceleration that apply; and

(4) any other material obligations of the issuer that may arise, increase, be accelerated or become direct financial obligations as a result of the triggering event or the increase or acceleration of the direct financial obligation.

(b) If a triggering event occurs causing an obligation of the issuer under an off-balance sheet arrangement to increase or be accelerated, or causing a contingent obligation of the issuer under an off-balance sheet arrangement to become a direct financial obligation of the issuer, and the consequences of the event are material to the issuer, the issuer shall disclose the following information:

(1) the date of the triggering event and a brief description of the off-balance sheet arrangement;

(2) a brief description of the triggering event;

(3) the nature and amount of the obligation, as increased if applicable, and the terms of payment or acceleration that apply; and

(4) any other material obligations of the issuer that may arise, increase, be accelerated or become direct financial obligations as a result of the triggering event or the increase or acceleration of the obligation under the off-balance sheet arrangement or its becoming a direct financial obligation of the issuer.

(c) A “triggering event” is an event, including an event of default, event of acceleration or similar event, as a result of which a direct financial obligation of the issuer or an obligation of the issuer arising under an off-balance sheet arrangement is increased or becomes accelerated or as a result of which a contingent obligation of the issuer arising out of an off-balance sheet arrangement becomes a direct financial obligation of the issuer.

6. Costs Associated with Exit or Disposal Activities.

If the issuer's board of directors, a committee of the board of directors or the officer or officers of the issuer authorized to take such action if board action is not required, commits the issuer to an exit or disposal plan, or otherwise disposes of a long-lived asset or terminates employees under a plan of termination described in the FASB ASC 420-10, Exit or Disposal Cost Obligations, formerly FAS 146 under which material charges will be incurred under generally accepted accounting principles applicable to the issuer, the issuer shall disclose the following information:

(a) the date of the commitment to the course of action and a description of the course of action, including the facts and circumstances leading to the expected action and the expected completion date;

(b) for each major type of cost associated with the course of action (for example, one-time termination benefits, contract termination costs and other associated costs), an estimate of the total amount or range of amounts expected to be incurred in connection with the action;

(c) an estimate of the total amount or range of amounts expected to be incurred in connection with the action; and

(d) the issuer's estimate of the amount or range of amounts of the charge that will result in future cash expenditures.

7. Material Impairments.

If the issuer's board of directors, a committee of the board of directors or the officer or officers of the issuer authorized to take such action if board action is not required, concludes that a material charge for impairment to one or more of its assets, including, without limitation, impairments of securities or goodwill, is required under generally accepted accounting principles applicable to the issuer, the issuer shall disclose the following information:

- (a) the date of the conclusion that a material charge is required and a description of the impaired asset or assets and the facts and circumstances leading to the conclusion that the charge for impairment is required;
- (b) the issuer's estimate of the amount or range of amounts of the impairment charge; and
- (c) the issuer's estimate of the amount or range of amounts of the impairment charge that will result in future cash expenditures.

8. Sales of Equity Securities.

If the issuer sells equity securities in a transaction that has not been previously described in any prior disclosure statement, the issuer shall provide the information required by Item 17 of Section One of these Guidelines with respect to any such securities offering(s).

9. Material Modification to Rights of Security Holders.

- (a) If the constituent instruments defining the rights of the holders of any class of securities of the issuer have been materially modified, the issuer shall disclose the date of such modification and the title of the class of securities involved and briefly describe the general effect of such modification upon the rights of holders of such securities.
- (b) If the rights evidenced by any class of securities have been materially limited or qualified by the issuance or modification of any other class of securities by the issuer, the issuer shall briefly disclose the date of such issuance or modification and the general effect of such issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

10. Changes in Issuer's Certifying Accountant.

(a) If an independent accountant who was previously engaged as the principal accountant to audit the issuer's financial statements, or an independent accountant upon whom the principal accountant expressed reliance in its report regarding a significant subsidiary, resigns (or indicates that it declines to stand for re-appointment after completion of the current audit) or is dismissed, the issuer shall state:

- (1) Whether the former accountant resigned, declined to stand for re-election or was dismissed and the date of such resignation, refusal to stand for re-election or dismissal;
- (2) Whether the accountant's report on the financial statements for either of the past two years contained an adverse opinion or disclaimer of opinion, or was modified as to

uncertainty, audit scope, or accounting principles, and also describe the nature of each such adverse opinion, disclaimer of opinion or modification;

(3) Whether the decision to change accountants was recommended or approved by the board of directors or an audit or similar committee of the board of directors; and

(4) (A) Whether there were any disagreements with the former accountant, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the former accountant's satisfaction, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report; or

(B) if applicable, whether the former accountant advised the issuer that:

(1) Internal controls necessary to develop reliable financial statements did not exist;

(2) Information has come to the attention of the former accountant which made the accountant unwilling to rely on management's representations, or unwilling to be associated with the financial statements prepared by management; or

(3) The scope of the audit shall be expanded significantly, or information has come to the accountant's attention that the accountant has concluded will, or if further investigated may, materially impact the fairness or reliability of a previously issued audit report or the underlying financial statements, or the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent audited financial statements (including information that might preclude the issuance of an unqualified audit report), and the issue was not resolved to the accountant's satisfaction prior to its resignation or dismissal; and

(C) The subject matter of each such disagreement or event identified in response to paragraph (4)(A) above;

(D) Whether any committee of the board of directors, or the board of directors, discussed the subject matter of the disagreement with the former accountant; and

(E) Whether the issuer has authorized the former accountant to respond fully to the inquiries of the successor accountant concerning the subject matter of each of such disagreements or events and, if not, describe the nature of and reason for any limitation.

(b) If a new accountant has been engaged as either the principal accountant to audit the issuer's financial statements or as the auditor of a significant subsidiary and on whom the principal accountant is expected to express reliance in its report, the issuer shall identify the new accountant. If the conditions in paragraphs (b)(1) through (b)(3) below exist, the issuer shall describe the nature of the disagreement or event and the effect on the financial statements if the method of the former accountants had been followed (unless that method ceases to be generally accepted because of authoritative standards or interpretations issued after the disagreement or event):

(1) In connection with a change in accountants subject to paragraph (b) above, there was any disagreement or event as described in paragraph (a)(4)(A) above;

(2) During the fiscal year in which the change in accountants took place or during the later fiscal year, there have been any transactions or events similar to those involved in such disagreement or event; and

(3) Such transactions or events were material and were accounted for or disclosed in a manner different from that which the former accountants would have likely concluded was required.

11. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

(a) If the issuer's board of directors, a committee of the board of directors or the officer or officers of the issuer authorized to take such action if board action is not required, concludes that any previously issued financial statements covering the last three fiscal years or interim periods since the end of the last fiscal year shall no longer be relied upon because of an error in such financial statements as addressed in Accounting Principles Board Opinion No. 20, as may be modified, supplemented or succeeded, the issuer shall disclose the following information:

(1) the date of the conclusion regarding the non-reliance and an identification of the financial statements and years or periods covered that shall no longer be relied upon;

(2) a brief description of the facts underlying the conclusion to the extent known to the issuer at the time of filing; and

(3) a statement of whether the audit committee, or the board of directors in the absence of an audit committee, or authorized officer or officers, discussed with the issuer's independent accountant the matters disclosed in the press release issued pursuant to this paragraph 11.

(b) If the issuer is advised by, or receives notice from, its independent accountant that disclosure shall be made or action shall be taken to prevent future reliance on a previously issued audit report or completed interim review related to previously issued financial statements, the issuer shall disclose the following information:

(1) the date on which the issuer was so advised or notified;

(2) identification of the financial statements that shall no longer be relied upon;

(3) a brief description of the information provided by the accountant; and

(4) a statement of whether the audit committee, or the board of directors in the absence of an audit committee, or authorized officer or officers, discussed with the independent accountant the matters disclosed in the press release issued pursuant to this paragraph 11.

12. Changes in Control of Issuer.

(a) If, to the knowledge of the issuer's board of directors, a committee of the board of directors or authorized officer or officers of the issuer, a change in control of the issuer has occurred, the issuer shall furnish the following information:

- (1) the identity of the person(s) who acquired such control;
- (2) the date and a description of the transaction(s) which resulted in the change in control;
- (3) the basis of the control, including the percentage of voting securities of the issuer now beneficially owned directly or indirectly by the person(s) who acquired control;
- (4) the amount of the consideration used by such person(s);
- (5) the source(s) of funds used by such person(s); and
- (6) if the issuer was a shell company, as that term is defined in paragraph 3 of Item 8.B of these Guidelines, immediately before the change in control, the information that would be required if the issuer were fulfilling its Initial Disclosure Obligations pursuant to Section One of these Guidelines, with such information reflecting the issuer and its securities upon consummation of the change in control.

13. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(a) If a director has resigned or refuses to stand for re-election to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the issuer, known to an executive officer of the issuer on any matter relating to the issuer's operations, policies or practices, or if a director has been removed for cause from the board of directors, the issuer shall disclose the following information:

- (1) the date of such resignation, refusal to stand for re-election or removal;
- (2) any positions held by the director on any committee of the board of directors at the time of the director's resignation, refusal to stand for re-election or removal; and
- (3) a brief description of the circumstances representing the disagreement that the issuer believes caused, in whole or in part, the director's resignation, refusal to stand for re-election or removal.

(b) If the issuer's principal executive officer, president, principal financial officer, principal accounting officer, principal operating officer or any person performing similar functions retires, resigns or is terminated from that position, or if a director retires, resigns, is removed, or refuses to stand for re-election (except in circumstances described in paragraph (a) above), the issuer shall disclose the fact that the event has occurred and the date of the event.

(c) If the issuer appoints a new principal executive officer, president, principal financial officer, principal accounting officer, principal operating officer or person performing similar functions, the issuer shall disclose the following information with respect to the newly appointed officer:

(1) the name and position of the newly appointed officer and the date of the appointment;

(2) the information described in Item 11 of Section One above; and

(3) a brief description of the material terms of any employment agreement between the issuer and that officer.

(d) If the issuer appoints a new director, the issuer shall disclose the following information with respect to the newly appointed director:

(1) the name and position of the newly appointed director and the date of the appointment;

(2) the information described in Item 11 of Section One above; and

(3) a brief description of the material terms of the agreement between the issuer and that director.

14. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

(a) If an issuer amends (i) its articles of incorporation or in the event that the issuer is not a corporation, its certificate of organization, or (ii) its bylaws, the issuer shall disclose the following information:

(1) the effective date of the amendment; and

(2) a description of the provision adopted or changed by amendment and, if applicable, the previous provision.

(b) If the issuer decides to change its fiscal year, the issuer shall disclose the date of such decision and the date of the new fiscal year end.

15. Amendments to the Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

(a) The issuer shall briefly describe the date and nature of any amendment to a provision of the issuer's code of ethics that applies to the issuer's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

(b) If the issuer has granted a waiver, including an implicit waiver, from a provision of the code of ethics to an officer or person described in paragraph 15(a) above, the issuer shall briefly describe the nature of the waiver, the name of the person to whom the waiver was granted, and the date of the waiver.