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

FORM 10-K

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

For the fiscal year ended December 31, 2021

or

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

Commission File Number 001-39500

CREATD, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**87-0645394**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
648 Broadway, Suite 200, New York, NY	**10012**
(Address of Principal Executive Offices)	(Zip Code)

(201) 258-3770
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001	CRTD	The Nasdaq Stock Market LLC
Common Stock Purchase Warrants	CRTDW	The Nasdaq Stock Market LLC

Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value $0.001 per share

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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

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

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

As of March 31, 2022, the Company had 19,905,509 shares of its common stock, par value $0.001 per share, outstanding.

As of June 30, 2021, the last business day of the registrant's most recently completed second quarter, the aggregate market value of the shares of common stock, par value $0.001 per share held by non-affiliates of the registrant was approximately $41,044,564 based on $3.75 (on a post-reverse stock split basis), the closing price of the registrant's common stock, par value $0.001 per share on that date.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") contains forward-looking statements within the meaning of the federal securities laws. All statements contained in this Annual Report, other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, potential growth or growth prospects, future research and development, sales and marketing and general and administrative expenses, and our objectives for future operations, are forward-looking statements. Words such as "believes," "may," "will," "estimates," "potential," "continues," "anticipates," "intends," "expects," "could," "would," "projects," "plans," "targets," and variations of such words and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the "Risk Factors" in this Annual Report. Readers are urged to carefully review and consider the various disclosures made in this Annual Report and in other documents we file from time to time with the Securities and Exchange Commission (the "SEC") that disclose risks and uncertainties that may affect our business. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and circumstances discussed in this Annual Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. In addition, the forward-looking statements in this Annual Report are made as of the date of this filing, and we do not undertake, and expressly disclaim any duty, to update such statements for any reason after the date of this Annual Report or to conform statements to actual results or revised expectations, except as required by law.

You should read this Annual Report and the documents that we reference herein and have filed with the SEC as exhibits to this Annual Report with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.

PART I

ITEM 1. BUSINESS

Overview

Creatd, Inc. (“CRTD,” “the Company,” or “Creatd”) is a company whose mission is to provide economic opportunities to creators by multiplying the impact of platforms, people, and technology.

We operate four main business segments, or ‘pillars’: Creatd Labs, Creatd Partners, Creatd Ventures, and Creatd Studios. Together, Creatd’s pillars work together to create a flywheel effect, supporting our core vision of creating a viable ecosystem for all stakeholders in the creator economy.

Creator-Centric Strategy

Our purpose is to empower creators to prosper through exceptional tools, built-in communities, and opportunities for monetization and audience expansion. This creator-first approach is the foundation of our culture and mission, and how we choose to allocate our resources. It governs our business model and shapes the value we provide for each of our stakeholders across Creatd’s four pillars.

Creatd Labs

Creatd Labs is dedicated to the development of technology products that support the creator economy. This pillar houses Creatd’s proprietary technology platforms, including Creatd’s flagship product, Vocal. This pillar is operated through our wholly-owned subsidiary, Abacus Tech Pty Ltd.

Vocal

Vocal was built to serve as a home base for digital creators. This robust, proprietary technology platform that provides best-in-class tools, safe and curated communities, and monetization opportunities that enable creators to find a receptive audience and get rewarded. Creators of all types call Vocal their home, from bloggers to podcasters, makers, musicians, photographers, and more.

Since its initial launch in 2016, Vocal has grown to be one of the fastest growing communities for content creators of all shapes and sizes. Creators can opt to use Vocal for free, or upgrade to Vocal+. Upon subscribing to Vocal, either as a freemium or premium member, creators can immediately begin to access the numerous monetization opportunities that Vocal facilitates. Specifically, Vocal creators can earn money i) every time their story is read, ii) by competing in Challenges, iii) by receiving Bonuses, iv) by collaborating on branded content campaigns through the company’s in-house agency, Vocal for Brands, v) through ‘Subscribe,’ which enables creators to receive payment directly from their audience via monthly subscriptions and one-off microtransactions. vi) through the Vocal Ambassador Program, which enables creators to receive additional rewards whenever they refer a new Vocal+ member.

Vocal+

Vocal+ is Vocal’s premium membership program. Subscribers pay a membership fee to access additional premium features on the platform, including: a higher rate of earnings per read, reduced platform processing fees on tips received, eligibility to participate in exclusive Vocal+ Challenges, access to Vocal’s ‘Quick Edit’ feature for published stories, and more. The current cost of a Vocal+ membership is either $9.99 per month or $99 annually. From time to time, the Company offers Vocal+ subscriptions at a discount for a predetermined number of months as a promotion for new subscribers.

Moderation and Compliance

One of the key differentiating factors between Vocal and most other user-generated content platforms is the fact that each story submitted to Vocal is run through the Company’s proprietary moderation process before it goes live on the platform. The decision to implement moderation into the submission process was in direct response to the rise of misinformation and bad actors on many social platforms. In response to these inherent pitfalls within the content landscape, Vocal's proprietary moderation system combines the algorithmic detection of copyrighted material, hate speech, graphic violence, and nudity, and human-led curation to ensure the quality and safety of each story published on Vocal, thus fostering a safe and trustworthy environment for creators, audiences, and brands. Moderation and compliance are more important than ever in a world where ambiguity can systematically damage value. Vocal's enforcement of community guidelines and emphasis on content moderation protects the platform, its creators, and Creatd shareholders.

Trust and safety are paramount to the Vocal ecosystem. We follow best practices when handling personally identifiable information, with guidance from the European Union's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the Digital Millennium Copyright Act (DMCA).

Platform Compliance Policies include:

- Human-led, technology assisted moderation of every story submitted;
- Algorithmic detection of hate speech, nudity, and copyright infringement;
- Brand, creator, and audience safety enforced through community watch; and
- The rejection of what we consider toxic content, with the understanding that diverse opinions are encouraged.

Technology Development

Vocal's proprietary technology is built on Keystone, the same underlying open-source framework used by industry-leaders such as Atlassian, a $43-billion Australian technology company. Some of the key differentiating elements of Vocal's technology are speed, sustainability, and scalability. The Company continues to invest heavily in research and development to continuously improve and innovate its platform, with the goal of optimizing the user experience for creators. Vocal's architecture allows it to do more with less cost and provides a model capable of turning a profit.

Additionally, the Vocal platform and its underlying technology allows us to maintain an advantageous capital-light infrastructure. By using cloud service providers, we are able to focus on platform and revenue growth rather than building and maintaining the costly internal infrastructures that have materially affected so many legacy media platforms. Vocal's technology has been specifically designed and built to scale without a material corresponding increase in operational costs. While our users can embed rich media, such as video, audio, and product links, into their Vocal stories, the rich media content is hosted elsewhere (such as YouTube, Instagram, Vimeo, Shopify, Spotify, etc.). Thus, our platform can accommodate rich media content of all kinds without bearing the financial or operational costs associated with hosting the rich media itself. In addition to the benefits this framework affords to the Company, it is the additional benefit to our content creators, in that a creator can increase their monetization; for example, a creator can embed their YouTube video into a Vocal story and thus derive earnings from both platforms when their video is viewed.

Creatd Partners

Creatd Partners houses the Company's agency businesses, with the goal of fostering partnerships between creators and brands. Creatd Partners' offerings include: Vocal for Brands (content marketing), Seller's Choice (performance marketing), and WHE Agency (influencer marketing). Creatd Partners leverages its network of brands and influencers, along with resources from across Creatd, to help direct-to-consumer brands achieve conversions and reach their target audiences, while driving success for all of Creatd's stakeholders.

Vocal for Brands

All brands have a story to tell, and our creator community helps them tell it. Vocal for Brands, Creatd's internal content marketing studio, specializes in pairing leading brands with Vocal creators to produce marketing campaigns that are non-interruptive, engaging, and direct-response driven, with creators telling the brand's story in a way that is both engaging and trustworthy. Further, Vocal for Brands campaigns leverage Vocal's first-party data and technology, which enables the creation of highly targeted and segmented audiences and optimized campaign results.

In addition to branded story campaigns Additionally, brands can opt to collaborate with Vocal on a sponsored Challenge, prompting the creation of high-quality stories that are centered around the brand's mission and further disseminated through creators' respective social channels and promotional outlets.

WHE Agency

The WHE Agency ("WHE"), acquired by Creatd in 2021, was founded by Tracy Willis with the goal of supporting top creators and influencers, by connecting them with leading family and lifestyle brands and global audiences. Today, WHE represents a roster of over 100 creators across numerous verticals including family and lifestyle, music, and celebrity categories.

Seller's Choice

Seller's Choice is Creatd Partners' performance marketing agency specializing in DTC (direct-to-consumer) and e-commerce clientele. Seller's Choice provides direct-to-consumer brands with design, development, strategy, and sales optimization services.

Creatd Ventures

Creatd Ventures houses Creatd's portfolio of e-commerce businesses, both majority and minority-owned as well as associated e-commerce technology and infrastructure. The Company supports founders by providing capital, as well as a host of services including design and development, marketing and distribution, and go-to-market strategy. Currently, the Creatd Ventures portfolio includes:

- *Camp*, previously Plant Camp, a direct-to-consumer (DTC) food brand which creates healthy upgrades to classic comfort food favorites. Each of Camp's products are created with hidden servings of vegetables and contain Vitamins A, C, D, E, B1 + B6. In the fourth quarter of 2021, Camp added two new products to its expanding line of healthy, veggie-based, family-friendly foods. Currently, Camp has four flavors available for purchase: Classic Cheddar Mac 'N' Cheese, White Cheddar Mac 'N' Cheese, Vegan Cheezy Mac, and Twist Veggie Pasta. Camp, which first launched in 2020, represents the first investment within the Creatd Ventures portfolio.
- *Dune Glow Remedy* ("Dune"), acquired by Creatd through a series of noncontrolling interest acquisitions prior to the third quarter of 2021, the Company announced its intent to purchase a controlling stake in Dune Glow Remedy ("Dune"). The Company subsequently announced the completion of its purchase of a 50.4% majority stake in the fourth quarter of 2021. Brought to market in 2021, Dune is a beverage brand focused on promoting wellness and beauty from within. Each beverage in Dune's product line is meticulously crafted with functional ingredients that nourish skin from the inside out and enhance one's natural glow.
- *Basis*, which was acquired by the Company subsequent to year-end 2021, in March of 2022. Founded in 2017, Basis is a hydrating electrolyte drink mix formulated using rehydration therapies developed by the World Health Organization. Historically, Basis has shown strong sales volume both on the brand's website as well as through third-party distribution channels such as Amazon. Creatd's acquisition of 100% ownership in Basis marks the third majority ownership acquisition for Creatd Ventures.

Creatd Studios

The goal of Creatd Studios is to elevate creators' stories to TV, film, books, podcasts, video, and more.

- *Transmedia Assets:* With millions of compelling stories in its midst, Creatd's technology surfaces the best candidates for transmedia adaptations, through community and creator data insights. Then, Creatd Studios helps creators tell their existing stories in new ways, by partnering them with entertainment and publishing studios to create unique content experiences that accelerate earnings, discoverability, and open doors.
- *OG Gallery:* The OG Collection is an extensive library of original artwork and imagery from the archives of some of the most iconic magazines of the 20th century. OG Gallery is an exploratory initiative aimed at identifying opportunities to propel the OG Collection into a new technological sphere: the NFT marketplace.

Application of First-Party Data

Creatd's business intelligence and marketing teams identify and target individual creators, communities, and brands, utilizing empirical data harnessed from the Vocal platform. The team's ability to apply its proprietary first-party data works to reduce acquisition costs for new creators and to help provide brands with conversions and an ideal targeted audience. In this way, our ability to apply first-party data is one of the value-drivers for the Company across its four business pillars.

Importantly, we do not sell the collected data, that being a common monetization opportunity for many other businesses. Instead, we use our collected first-party data for the purposes of bettering the platform. Specifically, our data helps us understand the behaviors and attributes that are common among the creators, brands, and audiences within our ecosystem. We then pair our first-party Vocal data with third-party data from distribution platforms such as Facebook and Snapchat to provide a more granular profile of our creators, brands, and audiences.

It is through generating this valuable first-party data that we can continually enrich and refine our targeting capabilities for branded content promotion and creator acquisition, and specifically, to reduce our creator acquisition costs (CAC) and subscriber acquisition costs (SAC).

Competition

The idea for Vocal came as a response to what Creatd's founders recognized as systemic flaws inherent to the digital media industry and its operational infrastructures. Depreciating value of digital media business models built on legacy technology platforms created a unique opportunity for development of a creator-centric platform that could appeal to a global community and, at the same time, be capable of acquiring undervalued complimentary technology assets.

Creatd's founders built the Vocal platform upon the general thesis that a closed and safe ecosystem utilizing first-party data to increase efficiencies could create a sustainable and defensible business model. Vocal was strategically developed to provide value for content creators, readers, and brands, and to serve as a home for the ever-increasing amount of digital content being produced and the libraries of digital assets lying dormant.

Vocal is most commonly discussed as a combination of:

- Medium, a platform for writers built by former Twitter founder Ev Williams;
- Reddit, a social news aggregation, web content rating, and discussion website; and
- Patreon, a membership platform that provides business tools for content creators to run a subscription service.

Creatd does not view Vocal as a substitute or competitor to segment-specific content platforms, such as Vimeo, YouTube, Instagram, or SoundCloud. We don't want to replace anyone; we built Vocal to be accretive to the entire digital ecosystem. In fact, one of the most powerful components of our technology is the fact that Vocal makes it easy for creators to embed their existing published content, including videos, songs, podcasts, photographs, and more, directly into Vocal. We see this as a growth opportunity by building partnerships with the world's greatest technology companies and to further spread our roots deeper into the digital landscape.

Revenue Model

Creatd's revenues are primarily generated through:

- **Creator Subscriptions:** 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.
- **Marketing Partnerships:** Vocal partners with leading brands and creators through its internal content studio, Vocal for Brands, to produce content marketing campaigns, including sponsored Challenges, that leverage the power of Vocal. Branded stories and Challenges are optimized for conversions, distributed to a targeted audience based on Vocal's first-party data, and are optimized for conversions to maximize

revenue growth. Additionally, marketing partnerships are brokered through the Company's in-house influencer talent management firm, WHE, which manages and promotes a growing roster of influencer talent who partner with brands on marketing campaigns both inside and outside the Vocal platform.

- **Managed Services:** Creatd's in-house marketing agency for e-commerce, Seller's Choice, provides direct-to-consumer brands with design, development, strategy, and sales optimization services.
- **Platform Processing Fees and Microtransactions:** With Tipping and other types of microtransactions, audiences can engage and support their favorite Vocal creators by actively investing in their creativity. Vocal takes a platform processing fee on all transactions. Each Tip sent on Vocal generates revenue for the Company in the form of platform processing fees. For Vocal Free creators, we retain a 7% platform processing fee for every Tip exchanged. For Vocal+ creators, we retain a 2.9% platform processing fee.
- **Affiliate sales:** Vocal generates revenue through affiliate marketing relationships, which pays the Company a percentage of purchases made on our platform. Affiliate relationships include Amazon, Skimlinks, Tune, and more. This represents a unique opportunity in the post-pandemic environment where brands need expansive distribution pipelines such as Vocal to reach broader audiences.
- **E-commerce:** Our e-commerce strategy involves revitalizing archival imagery and media content in dormant legacy portfolios. Our curation and data capabilities have helped us create scalable and definable value for our internal collection of media assets through financing, trademarking, licensing, and production opportunities. Creatd has an exclusive license to leverage the stories housed on Vocal, reimagining them for films, episodic shows, games, graphic novels, collectibles, books, and more.

Acquisition Strategy

Creatd's hybrid finance and design culture is key to its acquisition strategy. Acquisition targets are companies that meet a set of opportunistic or financial standards or that are part of specific digital environments that are accretive and can seamlessly integrate into Creatd's existing revenue lines. Creatd will continue to make strategic acquisitions when presented with opportunities that are in the interest of shareholder value.

Corporate History and Information

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

On February 5, 2016 (the "Merger Closing Date"), we entered into an Agreement and Plan of Merger (the "Merger Agreement") with GPH Merger Sub, Inc., a Nevada corporation and our wholly-owned subsidiary ("Merger Sub"), and Jerrick Ventures, Inc., a privately-held Nevada corporation headquartered in New Jersey ("Jerrick"), pursuant to which the Merger Sub was merged with and into Jerrick, with Jerrick surviving as our wholly-owned subsidiary (the "Merger"). Pursuant to the terms of the Merger Agreement, we acquired, through a reverse triangular merger, all of the outstanding capital stock of Jerrick in exchange for issuing Jerrick's shareholders (the "Jerrick Shareholders"), pro-rata, a total of 475,000 shares of our common stock, par value $0.001 per share ("Common Stock"). Additionally, we assumed 33,415 shares of Jerrick's Series A Convertible Preferred Stock (the "Jerrick Series A Preferred") and 8,064 shares of Series B Convertible Preferred Stock (the "Jerrick Series B Preferred").

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

In connection with the Merger, on the Merger Closing Date, we entered into a Spin-Off Agreement with Kent Campbell (the "Spin-Off Agreement"), pursuant to which Mr. Campbell purchased (i) all of our interest in Ashland Holdings, LLC, a Florida limited liability company, and (ii) all of our interest in Lil Marc, Inc., a Utah corporation, in exchange for the cancellation of 13,030 shares of our common stock held by Mr. Campbell. In addition, Mr. Campbell assumed all of our debts, obligations and liabilities, including any existing prior to the Merger, pursuant to the terms and conditions of the Spin-Off Agreement.

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

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

On July 25, 2019, we filed a certificate of amendment to our articles of incorporation, as amended (the "Amendment"), with the Secretary of State of the State of Nevada to effectuate a one-for-twenty (1:20) reverse stock split (the "Reverse Stock Split") of our common stock without any change to its par value. The Amendment became effective on July 30, 2019. The number of shares of authorized common stock was proportionately reduced as a result of the Reverse Stock Split. The number of shares of authorized preferred stock was not affected by the Reverse Stock Split. 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 for the common stock indicated in this Form 10-K have been retroactively restated to give effect to the Reverse Stock Split.

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"). Seller's Choice is digital e-commerce agency based in New Jersey (see Note 4).

On July 13, 2020, 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 100,000,000.

On August 13, 2020, we filed a certificate of amendment to our second amended and restated articles of incorporation (the "Amendment"), with the Secretary of State of the State of Nevada to effectuate a one-for-three (1:3) reverse stock split (the "August 2020 Reverse Stock Split") of our common stock without any change to its par value. The Amendment became effective on August 17, 2020. No fractional shares were issued in connection with the August 2020 Reverse Stock Split as all fractional shares were rounded down to the next whole share. All share and per share amounts of our common stock listed in this Form 10-K have been adjusted to give effect to the August 2020 Reverse Stock Split.

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.

Recent Developments

Registered Direct Offering — March 2022

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, par value $0.001 per share (the "Common Stock") together with warrants to purchase an aggregate of 1,519,857 shares of Common Stock (the "Warrants") at an exercise price of $1.75 per share (collectively, the "Offering"). The warrants will be immediately exercisable and will expire on March 9, 2027.

The Offering closed on March 9, 2022, after the satisfaction of customary closing conditions as set forth in the Purchase Agreement. The gross proceeds from the Offering were $2,659,750, before deducting Offering expenses, which will be used for general corporate purposes, including working capital.

The shares of Common Stock were offered and sold by the Company pursuant to a prospectus supplement, which was filed with Securities and Exchange Commission (the "SEC") on March 9, 2022, in connection with a takedown from the Company's effective shelf registration statement on Form S-3, which was filed with the SEC on November 25, 2020 and subsequently declared effective on April 23, 2021 (File No. 333-250982) (the "Shelf Registration Statement").

Nasdaq Notice of Delisting

On January 4, 2021, the Company received a letter from the staff of The Nasdaq Capital Market (the "Exchange") notifying the Company that the Exchange had determined to delist the Company's common stock and warrants from the Exchange based on the Company's non-compliance with the Exchange's (i) $5 million stockholders' equity requirement for initial listing pursuant to Nasdaq Listing Rule 5505(b), (ii) the $2.5 million stockholders' equity requirement or any of the alternatives for continued listing pursuant to Nasdaq Listing Rule 5550(b), and (iii) the Company's failure to provide material information to the Exchange pursuant to Nasdaq Listing Rule 5250(a)(1).

On February 11, 2021, the Company met with the Exchange's Hearings Panel (the "Panel") with respect to such determination, in accordance with the Exchange's rules and, pursuant to such request by the Company to appeal, the delisting of the Company's securities and the Form 25 Notification of Delisting filing was stayed pending the Panel's decision.

On March 9, 2021, the Exchange notified the Company that the Panel had determined to continue the listing of the Company on the Exchange. Notwithstanding the Panel's determination to continue the listing of the Company's securities on the Exchange, the Panel issued a public reprimand letter to the Company, pursuant to Listing Rule 5815(c)(1)(D), based on its finding "that the Company failed to meet the initial listing criteria with respect to stockholders' equity and failed to provide Nasdaq with material information with respect to that deficiency." Specifically, the Panel found that the Company failed to comply with Listing Rule 5250(a)(1), requiring it to notify Nasdaq of certain significant developments that led to the Company's prior representations about its ability to satisfy the initial listing requirements being inaccurate. In reaching its determination to continue the listing of the Company on Nasdaq, the Panel acknowledged that the Company has since demonstrated compliance with the initial listing requirement for stockholders' equity and all other applicable initial listing requirements. The Panel also determined that the violations were inadvertent and that the Company had relied on advice of counsel at the time in its interactions with the Nasdaq staff ("Staff"). The Panel also acknowledged the Company's efforts to implement structural changes within the Company to avoid similar misstatements in the future and that would allow for proper accounting and disclosure on an ongoing basis.

A Panel Monitor has been implemented under Listing Rule 5815(d)(4)(A) for a period of one year from the date of the Letter. In the event that the Company becomes deficient with respect to any continued listing requirement, the Company will not be afforded the opportunity to submit a compliance plan for Staff's consideration and Staff will issue a Delist Determination Letter and promptly schedule a new hearing under Listing Rule 5810(c)(2), at which the Company may present a compliance plan for the Panel's consideration. In the event of a new hearing, any suspension or delisting action would be stayed pending the completion of the hearings process and the expiration of any additional extension period granted by the Panel following the hearing.

On March 1, 2022, the Company received a letter (the "Letter") from the staff of The Nasdaq Capital Market (the "Exchange") notifying the Company that the Exchange has determined to delist the Company's common stock from the Exchange based on the Company's Market Value of Listed Securities for the 30-consecutive day period between January 15, 2022 and February 25, 2022 falling short of the requirements under Listing Rule 5550(b)(2) (the "Rule"). Although a 180-day period is typically allowed for an issuer to regain compliance, the Company is not eligible to use such compliance period, as the Exchange had instituted a Panel Monitor through March 9, 2022.

The Company is pursuing an appeal to the Panel of such determination, in accordance with the Exchange's rules and, pursuant to such request by the Company to appeal, the delisting of the Company's securities and the Form 25 Notification of Delisting filing will be stayed pending the Panel's decision.

The Company intends to present to the Panel evidence that the Company has regained compliance with the Rule; however, there can be no assurance that the Panel will grant the Company's request for continued listing.

The Letter has no immediate impact on the listing of the Company's common stock or warrants, which will continue to be listed and traded on the Exchange, subject to the Company's compliance with other continued listing requirements. The Company's receipt of the Letter does not affect the Company's business, operations or reporting requirements with the Securities and Exchange Commission.

Securities Purchase Agreement

On March 1, 2022, the Company entered into securities purchase agreements with twenty-eight (28) accredited investors whereby, at the closing, such investors purchased from the Company an aggregate of (i) 1,401,457 shares of the Company's common stock, par value $0.001 per share 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, and provide for cashless exercise to the extent that there is no registration statement available for the underlying shares of common stock. The Benchmark Company, LLC acted as exclusive financial advisor for the Company in connection with the financing and is entitled to receive 125,000 shares of common stock as compensation for its services. The closing of the financing occurred on March 1, 2022.

Board of Directors and Management

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.

Departure of Directors

On July 16, 2021, Mark Patterson notified the Board of the Company of his resignation from the Board, effective July 31, 2021. 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 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.

Management Restructuring

On August 13, 2021, the Board approved the restructuring of the Company's senior management team to be comprised of two Co-Chief Executive Officers and appointed Jeremy Frommer and Laurie Weisberg to such positions (the "First Restructuring"). Additionally, Justin Maury was appointed Chief Operating Officer and retains his position as President. Prior to the First Restructuring, Mr. Frommer served as the Company's Chief Executive Officer and Ms. Weisberg served as the Company's Chief Operating Officer. Mr. Frommer and Ms. Weisberg continue to serve as members of the Board. The Restructuring did not impact the role or functions of the Company's Chief Financial Officer, Chelsea Pullano.

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.

Plant Camp LLC Purchase

On June 4, 2021, the Company, through its wholly owned subsidiary, Creatd Partners, LLC, a Delaware limited liability company (the "Purchaser"), entered into a Membership Interest Purchase Agreement (the "MIPA") with Angela Hein and Heidi Brown (the "Sellers"), pursuant to which the Purchaser acquired 841,005 common units of Plant Camp LLC, a Delaware limited liability company ("Plant Camp") from the Sellers, resulting in the Purchaser owning 89% of the issued and outstanding equity of Plant Camp.

Simultaneous with the execution of the MIPA, and having met all conditions precedent in the MIPA, the parties to the MIPA consummated the closing of the transactions contemplated by the MIPA (the "Closing"). At the Closing, the Purchaser acquired a majority interest in Plant Camp in exchange for a cash payment to the Sellers of $300,000. The MIPA contains customary representations, warranties, covenants, indemnification and other terms for transactions of a similar nature.

On the Closing Date, the Amended and Restated Liability Company Operating Agreement of Plant Camp was amended and restated (the "Second A&R Operating Agreement") to reflect the purchase and sale of the Membership Interests pursuant to the MIPA.

Underwritten Public Offering

On June 17, 2021, the Company entered into an underwriting agreement (the "Underwriting Agreement") with The Benchmark Company LLC ("Benchmark" or the "Underwriter"), pursuant to which we agreed to sell to the Underwriter in a firm commitment underwritten public offering (the "Offering") an aggregate of 750,000 shares of the Company's common stock, par value $0.001 per share, 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.

Benchmark acted as sole bookrunner for the Offering. The Offering was made pursuant to a prospectus supplement dated June 17, 2021, and a base prospectus dated April 23, 2021, which is part of a registration statement on Form S-3 (File No. 333-250982) that was filed with the Securities and Exchange Commission (the "Commission") on November 25, 2020, as amended on April 9, 2021, and declared effective by the Commission on April 23, 2021. The Underwriter received a discount in the amount of 7% of the aggregate gross proceeds received by the Company in connection with the Offering, warrants equal to 5% of the total of all shares issued in the Public Offering, including overallotment shares, exercisable six months from the date of issuance, at the price of $4.08, for a period of five years (the "Underwriter Warrants"), and reimbursement of certain expenses.

The Underwriting Agreement included customary representations, warranties and covenants, and customary conditions to closing, expense and reimbursement obligations and termination provisions. Additionally, under the terms of the Underwriting Agreement, we have agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the Underwriter may be required to make in respect of these liabilities.

The gross proceeds to the Company from the sale of 750,000 shares of Common Stock, before deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be $2,550,000. We used the net proceeds from the Offering for working capital and general corporate purposes.

WHE Agency Transaction

On July 20, 2021, the Company entered into, through its wholly owned subsidiary, Creatd Partners, LLC ("Creatd Partners"), a Stock Purchase Agreement (the "Purchase Agreement") with individuals named therein (collectively, the "Sellers"), pursuant to which Creatd Partners acquired from the Sellers, subject to the terms and conditions of the Purchase Agreement and other related agreements (the "Transaction Documents") 1,158,000 shares of common stock of WHE Agency, Inc. ("WHE Agency"), a talent management and public relations agency that primarily focuses on representation and management of family and lifestyle-focused influencers and digital creators. The equity interest acquired in the Transaction (as defined below) along with the Voting Agreements described below equals fifty-five (55%) of the voting power and forty-four (44%) of the ownership of WHE Agency's issued and outstanding shares, determined on a fully diluted basis post-transaction.

Pursuant to the Purchase Agreement, the Sellers sold, transferred, assigned, conveyed and delivered to Creatd Partners their respective issued and outstanding shares of common stock in WHE Agency (the "Transaction"). The aggregate closing consideration of the Transaction is $1,038,271, which consists of a combination of cash, in the amount of $144,750 ("Cash Consideration"), and the remaining $893,521 issued to the Sellers in the form of 224,503 shares of the Company's restricted common stock ("Closing Share Consideration").

The Transaction closed on July 23, 2021 (the "Closing"). At the Closing, Sellers received their respective portion of the aggregate closing consideration in the form of a combination of Cash Consideration and Closing Share Consideration, except for 5% of the total Closing Share Consideration that will be subject to a twelve (12) month Indemnification Holdback Period.

The 224,503 shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), were issued as part of the Closing Share Consideration (the "Shares") to the Sellers are "restricted securities," as defined in Rule 144(a)(3) under the Securities Act of 1933, as amended (the "Act"), and accordingly the Shares may not be resold by the Sellers without registration under the Act or an available exemption from registration. Under the Purchase Agreement, the Company will be obligated to file with the Securities and Exchange Commission (the “SEC”) within ten business days after the Closing, a registration statement on Form S-1 or Form S-3 registering the resale of the Shares by the Sellers under the Act to cover the resale of the Shares issued to the Sellers.

The Purchase Agreement contain representations and warranties made by and to the parties thereto as of specific dates. The Purchase Agreement includes customary representations, warranties and covenants of the Company, Sellers and WHE Agency. The representations and warranties made by each party were made solely for the benefit of the other parties and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk between the parties to the Purchase Agreement if those statements prove to be inaccurate; (ii) may have been qualified in the Purchase Agreement by disclosures that were made to the other party in disclosure schedules to the Purchase Agreement, and (iii) were made only as of the date of the Purchase Agreement or such other date or dates as may be specified in the Purchase Agreement.

In connection with entering into the Purchase Agreement, Creatd Partners entered into a certain Voting Agreement and Proxy (the “Voting Agreement”) with certain beneficial owners that collectively own 11% percent of WHE Agency’s issued and outstanding restricted common stock (“Restricted Stockholders”). Through the Voting Agreements entered into with the Restricted Stockholders, Creatd Partners effectively controls 55% of the total voting power of the Company in the aggregate. The Voting Agreements generally require that the stockholders who are party to the Voting Agreements vote or cause to be voted their WHE Agency shares, and execute and deliver written consents and otherwise exercise all voting and other rights with respect to the WHE Agency shares at the direction of Creatd Partners. In addition, in connection with the Voting Agreements, the Restricted Stockholders delivered irrevocable proxies to Creatd Partners. The Voting Agreements terminate upon the twenty-year anniversary of executing the Voting Agreements.

Dune Transaction

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.

Each of the Dune Sellers and Buyer have made customary representations and warranties, and covenants in the Agreement.

In connection with the Dune Agreement, Dune, Creatd Partners, Mark De Luca and SHI entered into a Stockholders Agreement dated October 3, 2021, providing for the purchase of the Purchased Shares representing a majority stake in Dune. The Stockholders Agreement contains customary representations and warranties, and covenants.

Registered Direct Offering — October 2021

On October 25, 2021, we entered into a securities purchase agreement (the “Purchase Agreement”) with institutional investors (collectively, the “Purchasers”) resulting in the raise of $3,825,000 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 850,000 shares (the “Shares”) of the Company’s common stock, par value $0.001 per share (the “Common Stock”), at a purchase price of $4.50 per Share (the “Offering”). The Offering closed on October 27, 2021, subject to customary closing conditions.

Pursuant to the terms of the Purchase Agreement, each of the Purchasers was granted the right to participate in a subsequent financing in an amount up to 25% of such subsequent financing. Additionally, under the terms of the Purchase Agreement, the Company and its subsidiaries are prohibited from issuing Common Stock or common stock equivalents for a period of 30 days from the date of the closing of the Purchase Agreement, other than with respect to

Exempt Issuances (as defined in the Purchase Agreement) and the Company shall not undertake a reverse or forward stock split or reclassification of the Common Stock without the prior written consent of the Purchasers holding a majority in interest of the Shares, except as may be required in connection with the satisfaction of the minimum bid price requirement of the principal Trading Market.

The Benchmark Company, LLC acted as exclusive placement agent (the "Placement Agent") for the Company in connection with the Offering. Pursuant to that certain Placement Agency Agreement, dated as of October 25, 2021, between the Company and the Placement Agent (the "Placement Agency Agreement"), the Placement Agent is entitled to a cash fee equal to $267,750, which represents seven percent (7.0%) of the aggregate gross proceeds raised in the Offering, the reimbursement of certain of the Placement Agent's expenses, and warrants to purchase up to 42,500 shares of Common Stock at an exercise price of $5.40 per share, which represents five percent (5.0%) of the aggregate number of Shares sold in the Offering (the "Placement Agent Warrants"). The Placement Agent Warrants will not be exercisable for a period of six months following the date of the closing and thereafter are exercisable for a period of five years.

The Company's net proceeds to the Company from the Offering were approximately $3,407,250 after deducting the Placement Agent fees and estimated expenses payable by the Company.

Employees

As of March 31, 2022, we had 56 full-time employees and 23 part-time employees. None of our employees are subject to a collective bargaining agreement, and we believe our relationship with our employees to be good.

We believe that our future success will depend in part on our continued ability to attract, hire and retain qualified personnel. Our human capital resources objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. The principal purposes of our equity and cash incentive plans are to attract, retain and reward personnel through the granting of stock-based and cash-based compensation awards, in order to increase stockholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives.

Corporate Information

The Company's address is 648 Broadway, Suite 200, New York, NY 10012. The Company's telephone number is (201) 258-3770. Our website is *https://creatd.com*. The information on, or that can be accessed through, this website is not part of this Form 10-K, and you should not rely on any such information in making the decision whether to purchase the Common Stock.

ITEM 1A. RISK FACTORS

You should consider carefully the following risk factors, together with all of the other information included or incorporated in this Annual Report. Each of these risk factors, either alone or taken together, could adversely affect our business, financial condition and results of operations, and adversely affect the value of an investment in our Common Stock. There may be additional risks that we do not know of or that we believe are immaterial that could also impair our business and financial condition.

Risks Related to our Business

The Company is a development stage business and subject to the many risks associated with new businesses.

Our current line of business has a limited operating history and our business is subject to all of the risks inherent in the establishment of a new business enterprise. Our likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with development and expansion of a new business enterprise. We have incurred losses and may continue to operate at a net loss for at least the next several years as we execute our business plan. We had a net loss of approximately $37.0 million for the year ended December 31, 2021, and a working capital deficit and accumulated deficit of approximately $0.9 million and approximately $109.6 million, respectively.

Our financial situation creates doubt whether we will continue as a going concern.

There can be no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain funding or additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital and no assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about our ability to continue as a going concern. If adequate working capital is not available, we may be forced to discontinue operations, which would cause investors to lose their entire investment.

Based on the report from our independent auditors dated April 6, 2022, management stated that our financial statements for the year ended December 31, 2021, were prepared assuming 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'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.

We are not profitable and may never be profitable.

Since inception through the present, we have been dependent on raising capital to support our working capital needs. During this same period, we have recorded net accumulated losses and are yet to achieve profitability. Our ability to achieve profitability depends upon many factors, including our ability to develop and commercialize our websites. There can be no assurance that we will ever achieve any significant revenues or profitable operations.

Our operating expenses exceed our revenues and will likely continue to do so for the foreseeable future.

We are in an early stage of our development and we have not generated sufficient revenues to offset our operating expenses. Our operating expenses will likely continue to exceed our operating income for the foreseeable future, until such time as we are able to monetize our brands and generate substantial revenues, particularly as we undertake payment of the increased costs of operating as a public company.

We have assumed a significant amount of debt and our operations may not be able to generate sufficient cash flows to meet our debt obligations, which could reduce our financial flexibility and adversely impact our operations.

Currently the Company has considerable obligations under notes, related party notes and lines of credit outstanding with various lenders. Our ability to make payments on such indebtedness will depend on our ability to generate cash flow. The Company may not generate sufficient cash flow from operations to enable us to repay this indebtedness and to fund other liquidity needs, including capital expenditure requirements. Such indebtedness could affect our operations in several ways, including the following:

- a significant portion of our cash flows could be required to be used to service such indebtedness;
- a high level of debt could increase our vulnerability to general adverse economic and industry conditions;
- any covenants contained in the agreements governing such outstanding indebtedness could limit our ability to borrow additional funds, dispose of assets, pay dividends and make certain investments;
- a high level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged and, therefore, our competitors may be able to take advantage of opportunities that our indebtedness may prevent us from pursuing; and
- debt covenants to which we may agree may affect our flexibility in planning for, and reacting to, changes in the economy and in our industry.

A high level of indebtedness increases the risk that we may default on our debt obligations. We may not be able to generate sufficient cash flows to pay the principal or interest on our debt. If we cannot service or refinance our indebtedness, we may have to take actions such as selling significant assets, seeking additional equity financing (which will result in additional dilution to stockholders) or reducing or delaying capital expenditures, any of which could have a material adverse effect on our operations and financial condition. If we do not have sufficient funds and are otherwise unable to arrange financing, our assets may be foreclosed upon which could have a material adverse effect on our business, financial condition and results of operations.

Although our shares and warrants have been approved for listing on The Nasdaq Capital Market, our shares and warrants may be subject to potential delisting if we do not meet or continue to maintain the listing requirements of The Nasdaq Capital Market, and we recently received a notice of determination of delisting.

Our shares and warrants have been approved for listing on The Nasdaq Capital Market ("Nasdaq"); however, to keep our listing on Nasdaq, we are required to maintain: (i) a minimum bid price of $1.00 per share, (ii) a certain public float, (iii) a certain number of round lot shareholders and (iv) one of the following: a net income from continuing operations (in the latest fiscal year or two of the three last fiscal years) of at least $500,000, a market value of listed securities of at least $35 million or a stockholders' equity of at least $2.5 million.

On January 4, 2021, we were notified by Nasdaq that it had determined to delist our common stock and warrants from Nasdaq based on our non-compliance with Nasdaq's (i) $5 million stockholders' equity requirement for initial listing, (ii) the $2.5 million stockholders' equity requirement or any of the alternatives for continued listing, and (iii) our failure to provide material information to Nasdaq. We appealed Nasdaq's determination and submitted such appeal to the Exchange's Hearings Panel (the "Panel"), which request stayed any suspension or delisting action by Nasdaq at least until the hearing process concludes and any extension granted by the Panel expires. In an oral hearing that took place on February 11, 2021, we presented to the Panel a detailed plan to evidence stockholders' equity of $5 million and addressed the other matters raised by Nasdaq. On March 9, 2021, Nasdaq notified us that our securities would continue to be listed on Nasdaq; however, a letter of reprimand was issued and a Panel Monitor has been implemented under Listing Rule 5815(d)(4)(A) for the period ending on March 9, 2022.

On March 9, 2021, the Exchange notified the Company that the Panel had determined to continue the listing of the Company on the Exchange. Notwithstanding the Panel's determination to continue the listing of the Company's securities on the Exchange, the Panel issued a public reprimand letter to the Company, pursuant to Listing Rule 5815(c)(1)(D), based on its finding "that the Company failed to meet the initial listing criteria with respect to stockholders' equity and failed to provide Nasdaq with material information with respect to that deficiency." Specifically, the Panel found that the Company failed to comply with Listing Rule 5250(a)(1), requiring it to notify Nasdaq of certain significant developments that led to the Company's prior representations about its ability to satisfy the initial listing requirements being inaccurate. In reaching its determination to continue the listing of the Company on Nasdaq, the Panel acknowledged that the Company has since demonstrated compliance with the initial listing requirement for stockholders' equity and all other applicable initial listing requirements. The Panel also determined that the violations were inadvertent and that the Company had relied on advice of counsel at the time in its interactions with the Nasdaq staff ("Staff"). The Panel also acknowledged the Company's efforts to implement structural changes within the Company to avoid similar misstatements in the future and that would allow for proper accounting and disclosure on an ongoing basis.

A Panel Monitor has been implemented under Listing Rule 5815(d)(4)(A) for a period of one year from the date of the Letter. In the event that the Company becomes deficient with respect to any continued listing requirement, the Company will not be afforded the opportunity to submit a compliance plan for Staff's consideration and Staff will issue a Delist Determination Letter and promptly schedule a new hearing under Listing Rule 5810(c)(2), at which the Company may present a compliance plan for the Panel's consideration. In the event of a new hearing, any suspension or delisting action would be stayed pending the completion of the hearings process and the expiration of any additional extension period granted by the Panel following the hearing.

On March 1, 2022, we received a letter (the "Letter") from the staff of The Nasdaq Capital Market (the "Exchange") notifying the Company that the Exchange has determined to delist the Company's common stock from the Exchange based on the Company's Market Value of Listed Securities for the 30-consecutive day period between January 15, 2022 and February 25, 2022 falling short of the requirements under Listing Rule 5550(b)(2) (the "Rule"). Although a 180-day period is typically allowed for an issuer to regain compliance, the Company is not eligible to use such compliance period, as the Exchange had instituted a Panel Monitor through March 9, 2022.

The Company is pursuing an appeal to the Panel of such determination, in accordance with the Exchange's rules and, pursuant to such request by the Company to appeal, the delisting of the Company's securities and the Form 25 Notification of Delisting filing will be stayed pending the Panel's decision.

The Company intends to present to the Panel evidence that the Company has regained compliance with the Rule; however, there can be no assurance that the Panel will grant the Company's request for continued listing.

We will need additional capital, which may be difficult to raise as a result of our limited operating history or any number of other reasons.

We expect that we will need to raise additional capital within the next 12 months. However, in the event that we exceed our expected growth, we would need to raise additional capital. There is no assurance that additional equity or debt financing will be available to us when needed, on acceptable terms, or even at all. Our limited operating history makes investor evaluation and an estimation of our future performance substantially more difficult. As a result, investors may be unwilling to invest in us or such investment may be offered on terms or conditions that are not acceptable. In the event that we are not able to secure financing, we may have to scale back our growth plans or cease operations.

We face intense competition. If we do not provide digital content that is useful to users, we may not remain competitive, and our potential revenues and operating results could be adversely affected.

Our business is rapidly evolving and intensely competitive, and is subject to changing technologies, shifting user needs, and frequent introductions of new products and services. Our ability to compete successfully depends heavily on providing digital content that is useful and enjoyable for our users and delivering our content through innovative technologies in the marketplace.

We face competition from others in the digital content creation industry and media companies. Our current and potential competitors range from large and established companies to emerging start-ups. Established companies have longer operating histories and more established relationships with customers and users, and they can use their experience and resources in ways that could affect our competitive position, including by making acquisitions, investing aggressively in research and development, aggressively initiating intellectual property claims (whether or not meritorious) and competing aggressively for advertisers and websites. Emerging start-ups may be able to innovate and provide products and services faster than we can.

Additionally, our operating results would suffer if our digital content is not appropriately timed with market opportunities, or if our digital content is not effectively brought to market. As technology continues to develop, our competitors may be able to offer user experiences that are, or that are seen to be, substantially similar to or better than, ours. This may force us to compete in different ways and expend significant resources in order to remain competitive. If our competitors are more successful than we are in developing compelling content or in attracting and retaining users and advertisers, our revenues and operating results could be adversely affected.

If we fail to retain existing users or add new users, or if our users decrease their level of engagement with our products, our revenue, financial results, and business may be significantly harmed.

The size of our user base and our user's level of engagement are critical to our success. Our financial performance will be significantly determined by our success in adding, retaining, and engaging active users of our products, particularly Vocal. We anticipate that our active user growth rate will generally decline over time as the size of our active user base increases, and it is possible that the size of our active user base may fluctuate or decline in one or more markets, particularly in markets where we have achieved higher penetration rates. If people do not perceive Vocal to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A number of other content management systems and publishing platforms that achieved early popularity have since seen their active user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our active user base or engagement levels. Our user engagement patterns have changed over time, and user engagement can be difficult to measure, particularly as we introduce new and different products and services. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- Users increasingly engage with other competitive products or services;
- We fail to introduce new features, products or services that users find engaging or if we introduce new products or services, or make changes to existing products and services, that are not favorably received;
- User behavior on any of our products changes, including decreases in the quality and frequency of content shared on our products and services;
- There are decreases in user sentiment due to questions about the quality or usefulness of our products or our user data practices, or concerns related to privacy and sharing, safety, security, well-being, or other factors;
- We are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful, and relevant to them;
- We are unable to obtain or attract engaging third-party content;
- Users adopt new technologies where our products may be displaced in favor of other products or services, or may not be featured or otherwise available;
- There are changes mandated by legislation, regulatory authorities, or litigation that adversely affect our products or users;
- Technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience, such as security breaches or failure to prevent or limit spam or similar content;
- We adopt terms, policies, or procedures related to areas such as sharing, content, user data, or advertising that are perceived negatively by our users or the general public;
- We elect to focus our product decisions on longer-term initiatives that do not prioritize near-term user growth and engagement;
- We make changes in how we promote different products and services across our family of apps;
- Initiatives designed to attract and retain users and engagement are unsuccessful or discontinued, whether as a result of actions by us, third parties, or otherwise;

- We fail to provide adequate customer service to users, marketers, developers, or other partners;
- We, developers whose products are integrated with our products, or other partners and companies in our industry are the subject of adverse media reports or other negative publicity, including as a result of our or their user data practices; or
- Our current or future products, such as our development tools and application programming interfaces that enable developers to build, grow, and monetize mobile and web applications, reduce user activity on our products by making it easier for our users to interact and share on third-party mobile and web applications.

If we are unable to maintain or increase our user base and user engagement, our revenue and financial results may be adversely affected. Any decrease in user retention, growth, or engagement could render our products less attractive to users, marketers, and developers, which is likely to have a material and adverse impact on our revenue, business, financial condition, and results of operations. If our active user growth rate continues to slow, we will become increasingly dependent on our ability to maintain or increase levels of user engagement and monetization in order to drive revenue growth.

We face competition from traditional media companies, and we may not be included in the advertising budgets of large advertisers, which could harm our operating results.

In addition to internet companies, we face competition from companies that offer traditional media advertising opportunities. Most large advertisers have set advertising budgets, a very small portion of which is allocated to Internet advertising. We expect that large advertisers will continue to focus most of their advertising efforts on traditional media. If we fail to convince these companies to spend a portion of their advertising budgets with us, or if our existing advertisers reduce the amount they spend on our programs, our operating results would be harmed.

Acquisitions may disrupt growth.

We may pursue strategic acquisitions in the future. Risks in acquisition transactions include difficulties in the integration of acquired businesses into our operations and control environment, difficulties in assimilating and retaining employees and intermediaries, difficulties in retaining the existing clients of the acquired entities, assumed or unforeseen liabilities that arise in connection with the acquired businesses, the failure of counterparties to satisfy any obligations to indemnify us against liabilities arising from the acquired businesses, and unfavorable market conditions that could negatively impact our growth expectations for the acquired businesses. Fully integrating an acquired company or business into our operations may take a significant amount of time. We cannot assure you that we will be successful in overcoming these risks or any other problems encountered with acquisitions and other strategic transactions. These risks may prevent us from realizing the expected benefits from acquisitions and could result in the failure to realize the full economic value of a strategic transaction or the impairment of goodwill and/or intangible assets recognized at the time of an acquisition. These risks could be heightened if we complete a large acquisition or multiple acquisitions within a short period of time.

Our business depends on strong brands and relationships, and if we are not able to maintain our relationships and enhance our brands, our ability to expand our base of users, advertisers and affiliates will be impaired and our business and operating results could be harmed.

Maintaining and enhancing our brands' profiles may require us to make substantial investments and these investments may not be successful. If we fail to promote and maintain the brands' profiles, or if we incur excessive expenses in this effort, our business and operating results could be harmed. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brands' profiles may become increasingly difficult and expensive. Maintaining and enhancing our brands will depend largely on our ability to be a technology leader and to continue to provide attractive products and services, which we may not do successfully.

We depend on our key management personnel and the loss of their services could adversely affect our business.

We place substantial reliance upon the efforts and abilities of Jeremy Frommer, our Chairman of the Board of Directors, and our other executive officers and directors. Though no individual is indispensable, the loss of the services of these executive officers could have a material adverse effect on our business, operations, revenues or prospects. We do not currently maintain key man life insurance on the lives of these individuals.

If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality, assignment, and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect our proprietary rights. In the United States and internationally, we have filed various applications for protection of certain aspects of our intellectual property, and we currently hold a number of registered trademarks and issued patents in multiple jurisdictions and have acquired patents and patent applications from third parties. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have generally taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to ours and compete with our business. In addition, we regularly contribute software source code under open source licenses and have made other technology we developed available under other open licenses, and we include open source software in our products. If the protection of our proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of our brands and other intangible assets may be diminished and competitors may be able to more effectively mimic our products, services, and methods of operations. Any of these events could have an adverse effect on our business and financial results.

We are subject to payment processing risk.

We accept payments using a variety of different payment methods, including credit and debit cards and direct debit. We rely on third parties to process payments. Acceptance and processing of these payment methods are subject to certain certifications, rules and regulations. To the extent there are disruptions in our or third-party payment processing systems, material changes in the payment ecosystem, failure to recertify and/or changes to rules or regulations concerning payment processing, we could be subject to fines and/or civil liability, or lose our ability to accept credit and debit card payments, which would harm our reputation and adversely impact our results of operations.

We are subject to risk as it relates to software that we license from third parties.

We license software from third parties, much of which is integral to our systems and our business. The licenses are generally terminable if we breach our obligations under the license agreements. If any of these relationships were terminated or if any of these parties were to cease doing business or cease to support the applications we currently utilize, we may be forced to spend significant time and money to replace the licensed software.

Failures or reduced accessibility of third-party software on which we rely could impair the availability of our platform and applications and adversely affect our business.

We license software from third parties for integration into our Vocal platform, including open source software. These licenses might not continue to be available to us on acceptable terms, or at all. While we are not substantially dependent upon any third-party software, the loss of the right to use all or a significant portion of our third-party software required for the development, maintenance and delivery of our applications could result in delays in the provision of our applications until we develop or identify, obtain and integrate equivalent technology, which could harm our business.

Any errors or defects in the hardware or software we use could result in errors, interruptions, cyber incidents or a failure of our applications. Any significant interruption in the availability of all or a significant portion of such software could have an adverse impact on our business unless and until we can replace the functionality provided by these applications at a similar cost. Furthermore, this software may not be available on commercially reasonable terms, or at all. The loss of the right to use all or a significant portion of this software could limit access to our platform and applications. Additionally, we rely upon third parties' abilities to enhance their current applications, develop new applications on a timely and cost-effective basis and respond to emerging industry standards and other technological changes. We may be unable to effect changes to such third-party technologies, which may prevent us from rapidly responding to evolving customer requirements. We also may be unable to replace the functionality provided by the third-party software currently offered in conjunction with our applications in the event that such software becomes obsolete or incompatible with future versions of our platform and applications or is otherwise not adequately maintained or updated.

We need to manage growth in operations to maximize our potential growth and achieve our expected revenues and our failure to manage growth will cause a disruption of our operations, resulting in the failure to generate revenue.

In order to maximize potential growth in our current and potential markets, we believe that we must expand our marketing operations. This expansion will place a significant strain on our management and our operational, accounting, and information systems. We expect that we will need to continue to improve our financial controls, operating procedures, and management information systems. We will also need to effectively train, motivate, and manage our employees. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

In order to achieve the general strategies of our company we need to maintain and search for hard-working employees who have innovative initiatives, while at the same time, keep a close eye on any and all expanding opportunities in our marketplace.

We plan to generate a significant portion of our revenues from advertising and affiliate sales relationships, and a reduction in spending by or loss of advertisers and general decrease in online spending could adversely harm our business.

We plan to generate a substantial portion of our revenues from advertisers. Our advertisers may be able to terminate prospective contracts with us at any time. Advertisers will not continue to do business with us if their investment in advertising with us does not generate sales leads, and ultimately customers, or if we do not deliver their advertisements in an appropriate and effective manner. If we are unable to remain competitive and provide value to our advertisers, they may stop placing ads with us, which would adversely affect our revenues and business. In addition, expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Adverse macroeconomic conditions can also have a material negative impact on the demand for advertising and cause our advertisers to reduce the amounts they spend on advertising, which could adversely affect our revenues and business.

Security breaches could harm our business.

Security breaches have become more prevalent in the technology industry. We believe that we take reasonable steps to protect the security, integrity and confidentiality of the information we collect, use, store and disclose, but there is no guarantee that inadvertent (e.g., software bugs or other technical malfunctions, employee error or malfeasance, or other factors) or unauthorized data access or use will not occur despite our efforts. Although we have not experienced any material security breaches to date, we may in the future experience attempts to disable our systems or to breach the security of our systems. Techniques used to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures.

If an actual or perceived security breach occurs, the market perception of our security measures could be harmed, and we could lose sales and customers and/or suffer other negative consequences to our business. A security breach could adversely affect the digital content experience and cause the loss or corruption of data, which could harm our business, financial condition and operating results. Any failure to maintain the security of our infrastructure could result in loss of personal information and/or other confidential information, damage to our reputation and customer relationships, early termination of our contracts and other business losses, indemnification of our customers, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage.

Moreover, if a high-profile security breach occurs with respect to us or another digital entertainment company, our customers and potential customers may lose trust in the security of our business model generally, which could adversely impact our ability to retain existing customers or attract new ones.

The laws and regulations concerning data privacy and data security are continually evolving; our or our platform providers' actual or perceived failure to comply with these laws and regulations could harm our business.

Customers view our content online, using third-party platforms and networks and on mobile devices. We collect and store significant amounts of information about our customers — both personally identifying and non-personally identifying information. We are subject to laws from a variety of jurisdictions regarding privacy and the protection of this player information. For example, the European Union (EU) has traditionally taken a broader view than the United States and certain other jurisdictions as to what is considered personal information and has imposed greater obligations under data privacy regulations. The U.S. Children's Online Privacy Protection Act (COPPA) also regulates the collection, use and disclosure of personal information from children under 13 years of age. While none of our content is directed at children under 13 years of age, if COPPA were to apply to us, failure to comply with COPPA may increase our costs, subject us to expensive and distracting government investigations and could result in substantial fines.

Data privacy protection laws are rapidly changing and likely will continue to do so for the foreseeable future. The U.S. government, including the Federal Trade Commission and the Department of Commerce, is continuing to review the need for greater regulation over the collection of personal information and information about consumer behavior on the Internet and on mobile devices and the EU has proposed reforms to its existing data protection legal framework. Various government and consumer agencies worldwide have also called for new regulation and changes in industry practices. In addition, in some cases, we are dependent upon our platform providers to solicit, collect and provide us with information regarding our players that is necessary for compliance with these various types of regulations.

Customer interaction with our content is subject to our privacy policy and terms of service. If we fail to comply with our posted privacy policy or terms of service or if we fail to comply with existing privacy-related or data protection laws and regulations, it could result in proceedings or litigation against us by governmental authorities or others, which could result in fines or judgments against us, damage our reputation, impact our financial condition and harm our business. If regulators, the media or consumers raise any concerns about our privacy and data protection or consumer protection practices, even if unfounded, this could also result in fines or judgments against us, damage our reputation, and negatively impact our financial condition and damage our business.

In the area of information security and data protection, many jurisdictions have passed laws requiring notification when there is a security breach for personal data or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to implement. Our security measures and standards may not be sufficient to protect personal information and we cannot guarantee that our security measures will prevent security breaches. A security breach that compromises personal information could harm our reputation and result in a loss of confidence in our products and ultimately in a loss of customers, which could adversely affect our business and impact our financial condition. This could also subject us to liability under applicable security breach-related laws and regulations and could result in additional compliance costs, costs related to regulatory inquiries and investigations, and an inability to conduct our business.

Changes to federal, state or international laws or regulations applicable to our company could adversely affect our business.

Our business is subject to a variety of federal, state and international laws and regulations, including those with respect privacy, data, and other laws. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting our business could be enacted. These laws and regulations are frequently costly to comply with and may divert a significant portion of management's attention. If we fail to comply with these applicable laws or regulations, we could be subject to significant liabilities which could adversely affect our business.

If any of our relationships with internet search websites terminate, if such websites' methodologies are modified or if we are outbid by competitors, traffic to our websites could decline.

We depend in part on various internet search websites, such as Google.com, Bing.com, Yahoo.com and other websites to direct a significant amount of traffic to our websites. Search websites typically provide two types of search results, algorithmic and purchased listings. Algorithmic listings generally are determined and displayed as a result of a set of unpublished formulas designed by search engine companies in their discretion. Purchased listings generally are displayed if particular word searches are performed on a search engine. We rely on both algorithmic and purchased search results, as well as advertising on other internet websites, to direct a substantial share of visitors to our websites and to direct traffic to the advertiser customers we serve. If these internet search websites modify or terminate their relationship with us or we are outbid by our competitors for purchased listings, meaning that our competitors pay a higher price to be listed above us in a list of search results, traffic to our websites could decline. Such a decline in traffic could affect our ability to generate advertising revenue and could reduce the desirability of advertising on our websites.

Our business involves risks of liability claims arising from our media content, which could adversely affect our ability to generate revenue and could increase our operating expenses.

As a distributor of media content, we face potential liability for defamation, invasion of privacy, negligence, copyright or trademark infringement, obscenity, violation of rights of publicity and/or obscenity laws and other claims based on the nature and content of the materials distributed. These types of claims have been brought, sometimes successfully, against broadcasters, publishers, online services and other disseminators of media content. Any imposition of liability that is not covered by insurance or is in excess of our insurance coverage could have a material adverse effect on us. In addition, measures to reduce our exposure to liability in connection with content available through our internet websites could require us to take steps that would substantially limit the attractiveness of our internet websites and/or their availability in certain geographic areas, which could adversely affect our ability to generate revenue and could increase our operating expenses.

Intellectual property litigation could expose us to significant costs and liabilities and thus negatively affect our business, financial condition and results of operations.

We may be subject to claims of infringement of third-party patents and trademarks and other violations of third-party intellectual property rights. Intellectual property disputes are generally time-consuming and expensive to litigate or settle and the outcome of such disputes is uncertain and difficult to predict. The existence of such disputes may require us to set-aside substantial reserves and has the potential to significantly affect our overall financial standing. To the extent that claims against us are successful, they may subject us to substantial liability, and we may have to pay substantial monetary damages, change aspects of our business model, and/or discontinue any of our services or practices that are found to be in violation of another party's rights. Such outcomes may severely restrict or hinder ongoing business operations and impact the value of our business. Successful claims against us could also result in us having to seek a license to continue our practices. Under such conditions, a license may or may not be offered or otherwise made available to us. If a license is made available to us, the cost of the license may significantly increase our operating burden and expenses, potentially resulting in a negative effect on our business, financial condition and results of operations.

Although we have been and are currently involved in multiple areas of commerce, internet services, and high technology where there is a substantial risk of future patent litigation, we have not obtained insurance for patent infringement losses. If we are unsuccessful at resolving pending and future patent litigation in a reasonable and affordable manner, it could disrupt our business and operations, including by negatively impacting areas of commerce or putting us at a competitive disadvantage.

If we are unable to obtain or maintain key website addresses, our ability to operate and grow our business may be impaired.

Our website addresses, or domain names, are critical to our business. We currently own more than 415 domain names. However, the regulation of domain names is subject to change, and it may be difficult for us to prevent third parties from acquiring domain names that are similar to ours, that infringe our trademarks or that otherwise decrease the value of our brands. If we are unable to obtain or maintain key domain names for the various areas of our business, our ability to operate and grow our business may be impaired.

We may have difficulty scaling and adapting our existing network infrastructure to accommodate increased traffic and technology advances or changing business requirements, which could cause us to incur significant expenses and lead to the loss of users and advertisers.

To be successful, our network infrastructure has to perform well and be reliable. The greater the user traffic and the greater the complexity of our products and services, the more computer power we will need. We could incur substantial costs if we need to modify our websites or our infrastructure to adapt to technological changes. If we do not maintain our network infrastructure successfully, or if we experience inefficiencies and operational failures, the quality of our products and services and our users' experience could decline. Maintaining an efficient and technologically advanced network infrastructure is particularly critical to our business because of the pictorial nature of the products and services provided on our websites. A decline in quality could damage our reputation and lead us to lose current and potential users and advertisers. Cost increases, loss of traffic or failure to accommodate new technologies or changing business requirements could harm our operating results and financial condition.

Operating a network open to all internet users may result in legal consequences.

Our Terms and Conditions clearly state that our network and services are only to be used by users who are over 13 years old. Although we will terminate accounts that are known to be held by persons age 13 or younger, it is impractical to independently verify that all activity occurring on our network fits into this description. As such, we run the risk of federal and state law enforcement prosecution.

Unfavorable global economic, business, or political conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets, including conditions that are outside of our control, including the impact of health and safety concerns, such as those relating to the current COVID-19 coronavirus ("COVID-19") pandemic.

The continuing global COVID-19 pandemic has created significant volatility, uncertainty and economic disruption. The extent to which the COVID-19 pandemic continues to impact our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the duration and scope of the pandemic; governmental, business and individuals' actions, including vaccination requirements, that have been and continue to be taken in response to the pandemic; the impact of the pandemic on economic activity and actions taken in response; and any future variants that may arise and its effects on the overall response to the pandemic. The COVID-19 coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates.

Our direct-to-consumer brands experienced supply-chain issues as a direct result of the COVID-19 pandemic, resulting in delayed growth within these business lines. Additionally, the global financial crisis in connection with the COVID-19 pandemic has caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our Vocal platform and our ability to raise additional capital when needed on acceptable terms, if at all. Any of the foregoing could harm our business and we cannot anticipate all the ways in which the current economic climate and financial market conditions could adversely impact our business.

Risks Related To Our Common Stock

The price of our common stock may be subject to wide fluctuations.

Even though we have our shares listed with The Nasdaq Capital Market, the market price of our Common Stock may be highly volatile and subject to wide fluctuations in response to a variety of factors and risks, many of which are beyond our control. In addition to the risks noted elsewhere in this Form 10-K, some of the other factors affecting our stock price may include:

- Variations in our operating results;
- The level and quality of securities analysts' coverage of our Common Stock;
- Announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- Announcements by third parties of significant claims or proceedings against us; and
- Future sales of our Common Stock.

For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on past results as an indication of future performance. In the past, following periods of volatility in the market price of a public company's securities, securities class action litigation has often been instituted against the public company. Regardless of its outcome, this type of litigation could result in substantial costs to us and a likely diversion of our management's attention.

You may lose all of your investment.

Investing in our common stock involves a high degree of risk. As an investor, you might never recoup all, or even part of, your investment and you may never realize any return on your investment. You must be prepared to lose all your investment.

We may, in the future, issue additional shares of common stock, which would reduce investors' percent of ownership and dilute our share value

Our Second Amended and Restated Articles of Incorporation authorize the issuance of 100,000,000 shares of common stock, and 20,000,000 shares of preferred stock. Currently the Company has 500 shares of Preferred Series E stock outstanding. Additionally, as of March 31, 2022 there are outstanding (i) warrants to purchase 8,580,144 shares of our common stock; (ii) options exercisable into 2,902,619 shares of our common stock; and (iii) 121,359 shares underlying the conversion of Preferred Series E shares.

Assuming all of the Company's currently outstanding warrants and options are exercised and all convertible notes be converted, the Company would have to issue an additional 11,604,122 shares of common stock representing 59.0% of our current issued and outstanding common stock. As of the date of this filing, none of the Company's outstanding convertible notes are currently convertible into Common Stock. The future issuance of this common stock would result in substantial dilution in the percentage of our common stock held by our then existing shareholders. We may value any Common Stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by our investors and might have an adverse effect on any trading market for our common stock.

Liability of directors for breach of duty is limited under Nevada law.

Nevada law provides that directors must discharge their duties as a director in good faith and with a view to the interests of the corporation. Under Nevada law, directors owe a fiduciary duty to the corporation, which is generally comprised of the duty of care and duty of loyalty to the corporation. Except under limited circumstances set forth in NRS 78.138(7), or unless our Second Amended and Restated Articles of Incorporation or an amendment thereto provide for greater individual liability (which ours does not provide), a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that the director's or officer's act or failure to act constituted a breach of his or her fiduciary duties as a director or officer, and the breach of those duties involved intentional misconduct, fraud or a knowing violation of law. Our stockholders' ability to recover damages for fiduciary breaches may be reduced by this statute.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future and, as such, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. In addition, and any future loan arrangements we enter into may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

Sales of a substantial number of shares of our common stock in the public market by certain of our stockholders could cause our stock price to fall.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock.

We may issue additional shares of preferred stock in the future that may adversely impact your rights as holders of our common stock.

Pursuant to our Second Amended and Restated Articles of Incorporation, the aggregate number of shares of capital stock which we are authorized to issue is 120,000,000 shares, of which 100,000,000 shares are common stock, and 20,000,000 shares are "blank check" preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors. Our board of directors is empowered, without stockholder approval, to issue one or more series of preferred stock with dividend, liquidation, conversion, voting or other rights which could dilute the interest of, or impair the voting power of, our common stockholders. As of the date of this Form 10-K, we do have 500 shares of Preferred Series E stock outstanding.

The issuance of a series of preferred stock could be used as a method of discouraging, delaying or preventing a change in control. For example, it would be possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of our Company. In addition, advanced notice is required prior to stockholder proposals, which might further delay a change of control. Additionally, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders preferred rights to our assets upon liquidation, the right to receive dividends before dividends are declared to holders of our common stock, and the right to the redemption of such preferred shares, together with a premium, prior to the redemption of the common stock. To the extent that we do issue such additional shares of preferred stock, your rights as holders of common stock could be impaired thereby, including, without limitation, dilution of your ownership interests in us.

Each of our Second Amended and Restated Articles of Incorporation and our Amended and Restated Bylaws provide that the Eighth Judicial District Court of Clark County, Nevada will be the sole and exclusive forum for certain disputes which could limit stockholders' ability to obtain a favorable judicial forum for disputes with the Company or its directors, officers, employees or agents.

Each of our Second Amended and Restated Articles of Incorporation and our Amended and Restated Bylaws provide that unless the Company consents in writing to the selection of an alternative forum, the Eighth Judicial District Court of Clark County, Nevada shall be the sole and exclusive forum for state law claims with respect to: (i) any derivative action or proceeding brought in the name or right of the Company or on its behalf, (ii) any action asserting a claim for breach of any fiduciary duty owed by any director, officer, employee or agent of the Company to the Company or the Company's stockholders, (iii) any action arising or asserting a claim arising pursuant to any provision of Nevada Revised Statutes Chapters 78 or 92A or any provision of the Company's Second Amended and Restated Articles of Incorporation or Amended and Restated Bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine, including, without limitation, any action to interpret, apply, enforce or determine the validity of the Company's Second Amended and Restated Articles of Incorporation or Amended and Restated Bylaws. This exclusive forum provision would not apply to suits brought to enforce any liability or duty created by the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. However, each of our Second Amended Articles of Incorporation and our Amended and Restated Bylaws contain a federal forum provision which provides that unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company are deemed to have notice of and consented to this provision. As this provision applies to Securities Act claims, there may be uncertainty whether a court would enforce such a provision.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the Company or its directors, officers or other employees, which may discourage such lawsuits against the Company and its directors, officers and other employees. Alternatively, if a court were to find our choice of forum provisions contained in either our Second Amended and Restated Articles of Incorporation or Amended and Restated Bylaws to be inapplicable or unenforceable in an action, the Company may incur additional costs associated with resolving such action in other jurisdictions, which could harm its business, results of operations, and financial condition.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. These forward-looking statements contain information about our expectations, beliefs or intentions regarding our product development and commercialization efforts, business, financial condition, results of operations, strategies or prospects, and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. These statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning.

These statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section titled "Risk Factors" and elsewhere in this Annual Report.

Any forward-looking statement in this Annual Report reflects our current view with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our business, results of operations, industry and future growth. Given these uncertainties, you should not place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Annual Report and the documents that we reference herein and therein and have filed as exhibits hereto and thereto completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This Annual Report also contains or may contain estimates, projections and other information concerning our industry, our business and the markets for our products, including data regarding the estimated size of those markets and their projected growth rates. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which these data are derived.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company currently does not own any properties. Our corporate headquarters consists of a total of 3,200 square feet and is located at 648 Broadway, Suite 200, New York, NY 10012. The current lease term is effective September 9, 2021 through September 9, 2022, with monthly rent of $12,955 for the leasing period. During 2021, the Company also had additional office space located at 2050 Center Ave, Suite 640 and Suite 660, Fort Lee, NJ 07024. The lease term was effective June 5, 2018 through July 5, 2023, with monthly rent of $7,693 for the first year and increases at a rate of 3% for each subsequent year thereafter. Subsequent to December 31, 2021, the Company reached an agreement with the landlord at the New Jersey location to terminate the lease effective February 28, 2022.

We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth below, we are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

On or about June 25, 2020, Home Revolution, LLC ("Home Revolution") filed a lawsuit in the United States District Court for the District of New Jersey, Home Revolution, LLC, et al. v. Jerrick Media Holdings, Inc. et al., Case No. 2:20-cv-07775-JMV-MF. The Complaint alleges, among other things, that Creatd, Inc. breached the Membership Interest Purchase Agreement, as modified, and ancillary transaction documents in connection with the acquisition of Seller's Choice, LLC, from Home Revolution in September 2019. The Complaint additionally alleges violation of the New Jersey Uniform Securities Law, violations of the Exchange Act and Rule 10b-5 thereunder, fraud, equitable accounting, breach of fiduciary duty, conversion and unjust enrichment. Plaintiff also sought to have a receiver appointed by the Court to take over Creatd's operations. After substantial motion practice, Creatd successfully settled this dispute from June 2020 for a total of $799,000, which includes $660,000 of note principal and $139,000 of accrued interest. The matter has been dismissed on March 3, 2022.

On or about August 30, 2021, Robert W. Monster and Anonymize, Inc. ("Monster") filed a lawsuit in the United States District Court for the Western District of Washington at Seattle, Robert W. Monster, et al. v. Creatd, Inc., et al. (Western District of Washington at Seattle 2:21-CV-1177). The Complaint alleges, among other things, that action for Declaratory Judgment under 28 U.S.C. § 2201 that Monster's registration and use of the internet domain name VOCL.COM (the "Domain Name") does not violate Creatd's rights under the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d), or otherwise under the Lanham Act, 15 U.S.C. § 1051 et seq. Creatd claims trademark rights and certain other rights with respect to the term and the domain name VOCL.COM. Monster seeks a determination by the Court that Monster's registration and/or use of VOCL.COM is not, and has not been in violation of the ACPA, and that Plaintiffs' use of VOCL.COM constitutes neither a violation of the ACPA nor trademark infringement or dilution under the Lanham Act. Creatd believes the lawsuit lacks merit and will vigorously challenge the action. At this time, we are unable to estimate potential damage exposure, if any, related to the litigation.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

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

Market Information

Our Common Stock is listed on The Nasdaq Capital Market under the symbol "CRTD".

Holders

As of March 31, 2022, there were approximately 208 registered holders of record of our Common Stock, and approximately 6 holders of record of our Series E Convertible Preferred Stock. Since certain shares of our Common Stock are held by brokers and other institutions on behalf of stockholders, the foregoing number of holders of our Common Stock is not representative of the number of beneficial holders of our Common Stock.

Dividends

To date, we have not paid cash dividends on our Common Stock and do not plan to pay such dividends in the foreseeable future. Our Board will determine our future dividend policy on the basis of many factors, including results of operations, capital requirements, and general business conditions. Dividends, under the Nevada Revised Statutes, may only be paid from our net profits or surplus. To date, we have not had a fiscal year with net profits and, subject to a valuation by the Board of the present value of the Company's assets, do not have surplus.

Unregistered Sales of Equity Securities

During the three months ended December 31, 2021, we issued securities that were not registered under the Securities Act and were not previously disclosed in a Current Report on Form 8-K or Quarterly Report on Form 10-Q as listed below. All of the securities discussed in this Item 2 were issued in reliance on the exemption under Section 4(a)(2) of the Securities Act.

Dune Acquisition

On October 3, 2021, the Company issued 163,334 shares of common stock pursuant to a Stock Purchase Agreement with Standard Holdings, Inc., Mark De Luca, and Stephanie Roy Dufault, whereby the Company purchased a majority stake in Dune, Inc.

Employee Options Issuances

On October 27, 2021, the Company issued options to purchase 900,000 shares of Common Stock granted to management and employees under the Jerrick Media Holdings, Inc. 2020 Omnibus Equity Incentive Plan. These options have an exercise price of $5.00, vest upon issuance and expire 5 years from the date of issuance.

Board Issuances

During the three months ended December 31, 2021, the Company issued 18,451 shares of common stock and options to purchase 35,174 shares of common stock to members of the board of directors under the Jerrick Media Holdings, Inc. 2020 Omnibus Equity Incentive Plan. The options have an exercise price of $2.09, vest on the one-year anniversary and expire 5 years from the date of vesting.

Consultant Shares & Banking Fees

During the three months ended December 31, 2021, the Company issued 365,242 shares of Common Stock to consultants and bankers.

ITEM 6. [Reserved]

Not applicable.

ITEM 7. 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."

This Form 10-K and other reports filed by Creatd, Inc., formerly Jerrick Media Holdings, Inc. (the "Company"), from time to time with the SEC (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 Form 10-K.

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 over 50 million content creators and a valuation of over $100 billion, and growing. 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.

Specifically, our role within the creator economy and ecosystem is to provide creators with economic opportunities. We accomplish this through four main business pillars: Creatd Labs, Creatd Partners, Creatd Ventures, and Creatd Studios. Together, Creatd's pillars work together to create multiple flywheel effects and growth drivers, supporting our core vision of creating a viable ecosystem for all stakeholders in the creator economy. 2021 was a positioning year for Creatd, during which the Company established a solid business foundation, fortified its infrastructure, rationalized costs to accelerate cashflow breakeven, and effectively eliminated impediments to rapid growth which we believe will continue to drive revenues.

Results of Operations

Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at December 31, 2021 compared to December 31, 2020:

	December 31, 2021	December 31, 2020	Increase/ (Decrease)
Current Assets	$ 4,475,242	$ 8,020,993	$ (3,545,751)
Current Liabilities	$ 5,421,015	$ 4,968,427	$ 452,588
Working Capital (Deficit)	$ (945,773)	$ 3,052,566	$ (3,998,339)

At December 31, 2021, we had a working capital (deficit) of $(945,773) as compared to a working capital of $3,052,566 at December 31, 2020, a decrease in working capital of $3,998,339. The decrease is primarily attributable to a reduction in cash and an increase in deferred revenue, accounts payable, and accrued liabilities. This was offset by an increase in prepaid expense, accounts receivable, and a decrease in debt obligations.

Net Cash

Net cash used in operating activities for the year ended December 31, 2021, and 2020, was $20,518,807 and $7,340,487, respectively. The net loss for the year ended December 31, 2021, and 2020 was $37,379,153 and $24,162,783, respectively. This change is primarily attributable to the net loss for the current period offset by share-based payments in the amount of $9,661,174 to employees and consultants for services rendered, accretion of debt discount and debt issuance costs of $3,612,669 due to incentives given with debentures, and a change in fair value of derivative liability of $1,096,287, as well as a change in accounts payable and accrued expenses of $1,714,902.

The increased net cash used in 2021 reflected an extraordinary cash outlay for marketing, which went toward generating a lower creator acquisition cost for paid Vocal subscribers, and an increase in general and administrative expenses.

Net cash used in investing activities for the year ended December 31, 2021, was $1,168,123. This is primarily attributable to the purchase of Plant Camp, WHE Agency, Dune Inc., property and equipment, and cash paid for the purchase of investments.

Net cash provided by financing activities for the year ended December 31, 2021, and 2020 was $17,615,915 and $15,814,083, respectively. During the year ended December 31, 2021, the Company's operations were predominantly financed by net proceeds of $9,487,223 from the exercise of warrants, the proceeds from sale of common stock and warrants of $5,666,951, the proceeds from loans and notes of $4,358,428, and proceeds from the issuance of stock and warrants, which were partially offset by the repayment of notes and loans of $1,398,113. Similarly, the Company's financing activity for the year ended December 31, 2020, generated $5,745,485 from loans and note issuances, the proceeds of which were partially offset by repayment of notes of $3,224,418.

Summary of Statements of Operations for the Year Ended December 31, 2021, and 2020:

	Year Ended December 30,	
	2021	2020
Revenue	$ 4,299,717	$ 1,212,870
Cost of revenue	$ 5,300,037	$ 1,495,042
Operating expenses	$ (32,368,400)	$ (16,001,163)
Loss from operations	$ (33,368,720)	$ (16,283,335)
Other expenses	$ (4,010,433)	$ (7,929,448)
Net loss	$ (37,379,153)	$ (24,212,783)
Loss per common share – basic and diluted	$ (2.98)	$ (5.68)

Revenue

Revenue was $4,299,717 for the year ended December 31, 2021, as compared to $1,212,870 for the comparable year ended December 31, 2020, an increase of $3,086,847. The year-over-year increase in revenue is primarily attributable to year-over-year growth in Vocal+ memberships as well as consistent growth in the Company's agency businesses, which was further accelerated by the immediate and growing impact of the acquisition of the WHE Agency, which was successfully integrated during third quarter into *Creatd Partners'* growing business lines, as well as the start of material contributions from Creatd Ventures following the launches of Camp and Dune.

Cost of Revenue

Cost of revenue for the year ended December 31, 2021, were $5,300,037 as compared to $1,495,042 for the year ended December 31, 2020. The increase of $3,804,995 in cost of revenue is mainly related to an increase personnel costs and creator costs around the moderation and content development associated with increasing Vocal+ memberships, as well as the acquisition of WHE, the growth of which requires additional sales and talent management personnel to sustain.

Operating Expenses

Operating expenses for the year ended December 31, 2021, were $32,368,400 as compared to $16,001,163 for the year ended December 31, 2020. The increase of $16,367,237 in operating expenses is mainly related to a $6.8 million increase in marketing expenditure, a $1.0 million increase from the impairment of goodwill, a $5.0 million increase in general and administrative expenses resulting from a near-doubling in headcount and related personnel expenses, and a $2.8 million increase in non-cash charges relating to the issuance of equity to management and employees. Much of the increase in marketing expenditure occurred during the company's second quarter 2021 as it focused significant resources on tactical experimentation utilizing our internal data to generate a lower creator acquisition cost, resulting in significant Vocal+ membership growth, with the Company ending the second quarter 2021 having achieved a new milestone of over 30,000 Vocal+ members. The Company went on to significantly reduce marketing spend in third quarter, 2021 and then further reduce marketing for fourth quarter 2021 and expects future quarterly spend to reflect levels consistent with fourth quarter going forward. During 2021, the company's non-cash charges totaled $9.7 million, representing past performance-based stock option grants to senior management and board members, which vest over multiple years, year-end employee performance based-stock grants, as well as extraordinary and non-recurring cash charges totaling approximately $2.5 million related to the acquisition audit mainly from WHE, legal expenses, consulting, banking and recruiting fees.

Loss from Operations

Loss from operations for the year ended December 31, 2021, was $33,368,720 as compared to $16,283,335 for the year ended December 31, 2020. The operating loss increase primarily reflects added marketing expenses during the first half of 2021 as the company launched a comprehensive marketing campaign to support Vocal+ membership growth. Additionally, the Company nearly doubled its headcount during the year to support growth in numerous of its business lines, including the launch of two Creatd Ventures e-commerce brands. During this transition period, the Company experienced the need for duplicate expenditures to maintain operations while training its new hires, though their addition will ultimately reduce the need for outsourced third-party service providers. Going forward, the Company expects the loss from operations to decrease as revenues continue to increase and expenses remain relatively constant.

Other Income and Expenses

Other expenses for the year ended December 31, 2021, were $4,010,433 as compared to $7,929,448 for the year ended December 31, 2020. The decrease in other expenses was predominantly due to the change in gain vs. loss of extinguishment of debt and a reduction in interest expense. This was offset by an increase in derivative expense, change in fair value of derivative liability, and the impairment of investments.

Net Loss

Net loss attributable to common shareholders for the year ended December 31, 2021, was $37,703,652, or loss per share of $2.98, as compared to a net loss attributable to common shareholders of $27,348,485, or loss per share of $5.68, for the year ended December 31, 2020.

Off-Balance Sheet Arrangements

As of December 31, 2021, 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 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.

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, 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, 2021 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 and capital lease obligations. 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.

Long-lived Assets Including Goodwill and Other Acquired Intangible Assets

We evaluate the recoverability of property and equipment and acquired finite-lived intangible 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. 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, 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.

During the year ended December 31, 2021, the Company completed its annual impairment test of goodwill. The Company performed the qualitative assessment as permitted by ASC 350-20 and determined that the fair value of the Seller's Choice reporting unit was more likely than not less than the carrying value, including Goodwill. Based on completion of this annual impairment test, the Company recorded an impairment charge of $ 1,035,795 for goodwill.

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. During the year ended December 31, 2021, the Company recorded an impairment charge of $102,096 for investments.

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, 2021, the Company recorded an impairment charge of $487,365 for investments.

Derivative Liability

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

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

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

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

The Company utilizes a Monte Carlo simulation model for the make whole feature (see note 10) and 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 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 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.

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. As of December 31, 2021, and December 31, 2020, the Company had deferred revenue of $234,159 and $88,637, respectively.

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 the expected forfeiture rate. 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 December 2019, the FASB issued authoritative guidance intended to simplify the accounting for income taxes (ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"). This guidance eliminates certain exceptions to the general approach to the income tax accounting model and adds new guidance to reduce the complexity in accounting for income taxes. This guidance is effective for annual periods after December 15, 2020, including interim periods within those annual periods. The updated guidance, which became effective for fiscal years beginning after December 15, 2020, did not have a material impact on the Company's consolidated financial statements.

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. ASU 2016-13 is effective for the fiscal year beginning after December 15, 2022, including interim periods within that fiscal year. The Company is currently evaluating the impact of the new guidance on its 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. The ASU will be effective for annual reporting periods after December 15, 2021, and interim periods within those annual periods and early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its condensed consolidated financial statements.

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 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. This guidance is effective for annual periods after December 15, 2021, including interim periods within those annual periods. The Company is currently evaluating the impact of the new guidance on its condensed consolidated financial statements.

In July 2021, the FASB issued ASU No. 2021-05, Lessors — Certain Leases with Variable Lease Payments (Topic 842), Which requires a lessor to classify a lease with variable lease payments that do not depend on an index or rate (hereafter referred to as "variable payments") as an operating lease on the commencement date of the lease if specified criteria are met. ASU 2021-05 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 condensed consolidated financial statements upon the adoption of this ASU.

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 condensed 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 condensed consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Creatd, Inc.
December 31, 2021 and 2020
Index to the Consolidated Financial Statements

www.rrbb.com

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Creatd, Inc. and Subsidiaries (the Company) as of December 31, 2021 and 2020, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for years 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, 2021 and 2020, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our 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.

ROSENBERG RICH BAKER BERMAN & COMPANY

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

Revenue Recognition

As described in Note 2 to the consolidated financial statements, the Company recognizes revenue in accordance with FASB Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606"). ASC 606 requires the Company to apply the following steps: (1) identify the contract with the customers; (2) identify performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the Company satisfies the performance obligations.

For subscription revenue recognized by the Company, the transaction price is reduced for consideration payable to customers. Because such consideration is paid to both customers and "freemium" subscribers, it requires significant estimates as to the allocation and timing of these reductions in the transaction price. These estimates required auditor judgment and consideration of some subjective factors in evaluating the estimates.

How the Critical Matter Was Addressed in the Audit

The primary audit procedures we performed to address this critical audit matter included:

- Gained detailed understanding of processes related to subscription revenue, including evaluation of controls within the Company and the results of an audit of internal controls at the external payment processing organization.
- Verified the validity of customer payment data by testing the completeness and accuracy of the population of customer payments and by subscriber type.
- Critically evaluated management's estimated allocations based on supportable information, including refined methodologies and estimates based on historical data for consideration paid to customers.

Evaluation of Variable Interest Entities for Consolidation

As described in Note 2 to the consolidated financial statements, the Company's 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.

We identified management's accounting for variable interest entities as a critical audit matter because there is significant judgment required by management to evaluate the contractual arrangements under the variable interest entity consolidation model. Auditing such considerations involved especially challenging auditor judgment in evaluating the appropriateness of the Company's assessment and an increased audit effort.

ROSENBERG RICH BAKER BERMAN & COMPANY

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

How the Critical Matter Was Addressed in the Audit

The primary audit procedures we performed to address this critical audit matter included:

- Evaluating the reasonableness and appropriateness of management's evaluation of each VIE and determination of primary beneficiary of the VIE through a decision-making workflow.
- Reading pertinent supporting organizational documents and agreements associated with each VIE and relevant business plans and documentation to agree key terms with those used in management's evaluation of each VIE.
- Performed corroborative interviews with personnel involved in each entity analyzed to determine the business purpose of the transactions in the time frame the initial equity interests were acquired.

Rosenberg Rich Baker Berman, P.A.

Rosenberg Rich Baker Berman, P.A.

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

Somerset, New Jersey
April 6, 2022

Creatd, Inc.
Consolidated Balance Sheets

	December 31, 2021	December 31, 2020
Assets		
Current Assets		
Cash	$ 3,794,734	$ 7,906,782
Accounts receivable, net	337,440	90,355
Inventory	106,403	—
Prepaid expenses and other current assets	236,665	23,856
Total Current Assets	4,475,242	8,020,993
Property and equipment, net	102,939	56,258
Intangible assets	2,432,841	960,611
Goodwill	1,374,835	1,035,795
Marketable securities	—	62,733
Deposits and other assets	718,951	191,836
Minority investment in businesses	50,000	217,096
Operating lease right of use asset	18,451	239,158
Total Assets	**$ 9,173,259**	**$ 10,784,480**
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued liabilities	$ 3,730,540	$ 2,638,688
Derivative liabilities	—	42,231
Convertible Notes, net of debt discount and issuance costs	159,193	897,516
Current portion of operating lease payable	18,451	79,816
Note payable, net of debt discount and issuance costs	1,278,672	1,221,539
Deferred revenue	234,159	88,637
Total Current Liabilities	5,421,015	4,968,427
Non-current Liabilities:		
Note payable	63,992	213,037
Operating lease payable	—	157,820
Total Non-current Liabilities	63,992	370,857
Total Liabilities	5,485,007	5,339,284
Commitments and contingencies		
Stockholders' Equity		
Series E Preferred stock, $0.001 par value, 500 and 7,738 shares issued and outstanding, respectively	—	8
Common stock par value $0.001: 100,000,000 shares authorized; 16,691,170 issued and 16,685,513 outstanding as of December 31, 2021 and 8,736,378 issued and 8,727,028 outstanding as of December 31, 2020	16,691	8,737
Additional paid in capital	111,563,618	77,505,013
Subscription receivable	—	(40,000)
Less: Treasury stock, 5,657 and 5,657 shares, respectively	(62,406)	(62,406)
Accumulated deficit	(109,632,574)	(71,928,922)
Accumulated other comprehensive income	(78,272)	(37,234)
Total Creatd, Inc. Stockholders' Equity	1,807,057	5,445,196
Non-controlling interest in consolidated subsidiaries	1,881,195	—
	3,688,252	5,445,196
Total Liabilities and Stockholders' Equity	**$ 9,173,259**	**$ 10,784,480**

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, 2021	For the Year Ended December 31, 2020
Net revenue (related party of $80,000 and $0)	$ 4,299,717	$ 1,212,870
Cost of revenue	5,300,037	1,495,042
Gross loss	(1,000,320)	(282,172)
Operating expenses		
Research and development	983,528	257,431
Marketing	9,626,982	2,854,904
Stock based compensation	9,661,168	6,861,163
Impairment of goodwill	1,035,795	—
General and administrative	11,060,927	6,027,665
Total operating expenses	32,368,400	16,001,163
Loss from operations	(33,368,720)	(16,283,335)
Other income (expenses)		
Other income	396,223	512,071
Interest expense	(372,106)	(1,376,902)
Accretion of debt discount and issuance cost	(3,612,669)	(4,303,072)
Derivative expense	(100,502)	—
Change in derivative liability	(1,096,287)	3,019,457
Impairment of investment	(589,461)	(11,450)
Impairment of debt security	—	(50,000)
Settlement of vendor liabilities	59,792	(126,087)
Loss on marketable securities	—	(7,453)
Gain (loss) on extinguishment of debt	1,025,555	(5,586,482)
Gain on forgiveness of debt	279,022	470
Other expenses, net	(4,010,433)	(7,929,448)
Loss before income tax provision and equity in net loss from unconsolidated investments	(37,379,153)	(24,212,783)
	—	—
Equity in net loss from equity method investment Income tax provision	—	—
Net loss	**(37,379,153)**	**(24,212,783)**
Non-controlling interest in net loss	86,251	—
Net Loss attributable to Creatd, Inc.	**(37,292,902)**	**(24,212,783)**
Deemed dividend	(410,750)	**(3,135,702)**
Inducement expense	—	**—**
Net loss attributable to common shareholders	**$ (37,703,652)**	**$ (27,348,485)**
Comprehensive loss		
Net loss	**(37,379,153)**	**(24,212,783)**
Currency translation gain (loss)	(41,038)	(31,239)
Comprehensive loss	**$ (37,420,191)**	**$ (24,244,022)**
Per-share data		
Basic and diluted loss per share	**$ (2.98)**	**$ (5.68)**
Weighted average number of common shares outstanding	**12,652,470**	**4,812,153**

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, 2021 and 2020

	Series E Preferred Stock		Common Stock		Treasury stock		Additional Paid In	Subscription	Accumulated	Non-Controlling	Other Comprehensive	Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Receivable	Deficit	Interest	Income	Equity
Balance, December 31, 2019	—	$ —	3,059,646	$ 3,059	(53,283)	$(367,174)	$ 36,391,819	$ —	$ (44,580,437)	$ —	$ (5,995)	$ (8,558,728)
Shares issued with notes payable	—	—	59,774	60	—	—	243,685	—	—	—	—	243,745
Stock based compensation	—	—	169,800	170	—	—	5,743,970	—	—	—	—	5,744,140
Shares issued to settle vendor liabilities	—	—	23,565	24	—	—	235,607	—	—	—	—	235,631
Conversion of warrants to stock	—	—	7,239	7	—	—	(4,236)	—	—	—	—	(4,229)
Conversion of options to stock	—	—	229,491	229	—	—	1,116,802	—	—	—	—	1,117,031
Stock warrants issued with note payable	—	—	—	—	—	—	1,078,501	—	—	—	—	1,078,501
Cancellation of Treasury stock	—	—	(50,650)	(50)	54,343	374,184	(374,134)	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	(6,717)	(69,416)	—	—	—	—	—	(69,416)
Recognition of intrinsic value of beneficial conversion features – convertible notes	—	—	—	—	—	—	3,099,837	—	—	—	—	3,099,837
Cash received for common stock and warrants	—	—	1,725,000	1,725	—	—	7,028,355	—	—	—	—	7,030,080
Cash received for preferred series E and warrants	7,738	8	—	—	—	—	6,710,417	(40,000)	—	—	—	6,670,425
Common stock and warrants issued upon conversion of notes payable	—	—	768,225	769	—	—	3,182,898	—	—	—	—	3,183,667
Common stock and warrants issued upon extinguishment of notes payable			2,744,288	2,744	—	—	9,915,790	—	—	—	—	9,918,534
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	—	(31,239)	(31,239)
Dividends	—	—	—	—	—	—	3,135,702	—	(3,135,702)	—	—	—
Net loss for the year ended December 31, 2020	—	—	—	—	—	—	—	—	(24,212,783)	—	—	(24,212,783)
Balance, December 31, 2020	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

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, 2021	For the Year Ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (37,379,153)	$ (24,162,783)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	397,440	157,760
Impairment of investments	589,461	11,450
Impairment of intangible assets	1,727,032	—
Accretion of debt discount and issuance cost	3,612,669	4,303,072
Share-based compensation	9,661,174	6,861,163
Bad debt expense	110,805	53,692
Change in fair value of derivative liabilities	—	(3,019,457)
Gain on marketable securities	—	7,453
Gain on Forgiveness of debt	(279,022)	—
Settlement of vendor liabilities	(59,692)	126,087
Change in fair value of derivative liability	1,096,287	—
Derivative Expense	100,502	—
(Gain) loss on extinguishment of debt	(1,025,655)	5,586,012
Non cash lease expense	82,511	72,553
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	(174,819)	(19,729)
Inventory	(39,182)	—
Accounts receivable	(80,407)	(93,198)
Deposits and other assets	(527,115)	(4,829)
Deferred revenue	144,851	37,946
Accounts payable and accrued expenses	1,714,902	2,880,392
Unrecognized tax benefit	—	(68,000)
Operating lease liability	(84,099)	(70,071)
Net Cash Used In Operating Activities	(20,518,807)	(7,340,487)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Issuance of note receivable	—	—
Cash paid for property and equipment	(95,935)	(44,988)
Deposits	—	(175,000)
Cash paid for minority investment in business	(325,000)	—
Cash paid for equity method investment	(510,000)	(115,000)
Cash paid for investments in marketable securities	—	(248,272)
Sale of marketable securities	—	36,048
Cash consideration for acquisition	(225,947)	—
Purchases of digital assets	(11,241)	—
Net Cash Used In Investing Activities	(1,168,123)	(547,212)

Creatd, Inc.
Consolidated Statements of Cash Flows — (Continued)

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the exercise of warrant	9,487,223	—
Net proceeds from issuance of notes	747,937	1,501,661
Repayment of notes	(456,233)	(492,665)
Proceeds from issuance of demand loan	—	440,000
Repayment of demand Loan	—	(90,000)
Proceeds from issuance of convertible note	3,610,491	3,650,835
Repayment of convertible notes	(941,880)	(1,658,001)
Proceeds from issuance of convertible notes – related party	—	50,000
Proceeds from issuance of note payable – related party	—	152,989
Repayment of note payable – related party	(538,574)	(983,752)
Proceeds from issuance of common stock and warrants	5,666,951	6,662,015
Cash received for preferred series E and warrants	—	6,670,417
Purchase of treasury stock and warrants	—	(89,416)
Net Cash Provided By Financing Activities	17,615,915	15,814,083
Effect of exchange rate changes on cash	(41,038)	(31,239)
Net Change in Cash	(4,112,048)	7,895,145
Cash – Beginning of Year	7,906,782	11,637
Cash – End of year	$ 3,794,734	$ 7,906,782
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash Paid During the Year for:		
Income taxes	$ —	$ —
Interest	$ 60,073	$ 178,461
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Settlement of vendor liabilities	$ 168,667	$ 475,220
Conversion of marketable debt securities into equity securities	$ —	$ 102,096
Beneficial conversion feature on convertible notes	$ —	$ 3,099,837
Warrants issued with debt	$ 1,665,682	$ 1,078,500
Shares issued with debt	$ —	$ 243,741
Issuance of common stock for prepaid services	$ 226,500	$ 585,000
Cancellation of Treasury stock	$ —	$ 374,184
Conversion of note payable and interest into convertible notes	$ —	$ 385,000
Conversion of Demand loan into notes payable	$ —	$ 200,000
Deferred offering costs	$ 4,225	$ —
Common stock and warrants issued upon conversion of notes payable	$ 5,156,994	$ 11,217,362
Shares issued for acquisition	$ 1,318,218	$ —
Conversion of note payable and interest into convertible notes	$ —	$ 385,000
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, 2021
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"). Seller's Choice is a digital e-commerce agency based in New Jersey.

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. Plant 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 bene 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 Agency, Inc, has been consolidated due to the Company's ownership of 55% voting control, and the results of operations have been included since the date of acquisition in the Statements of Operations.

On August 16, 2021, the Company acquired 16% of the membership interests of Dune, Inc. bring our total membership interests to 21%.

Note 1 — Organization and Operations (cont.)

On October 3, 2021, the Company acquired 29% of the membership interests of Dune, Inc. bring our total membership interests to 50%. Dune, Inc. is a direct-to-consumer brand focused on promoting wellness through its range of health-oriented beverages. 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.

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.

During the fourth quarter of 2021, management changed its estimates for cost of revenues. This change in estimates did not result in a change to loss from operations or net loss.

Actual results could differ from those estimates.

Presentation

During 2021, we adopted a change in presentation on our Consolidated Statements of Comprehensive Loss in order to present a gross profit line and allocate certain overhead expenses, the presentation of which is consistent with our peers. Under the new presentation, we began allocating overhead expenses related to cost of goods sold. Prior periods have been revised to reflect this change in presentation.

Note 2 — Significant Accounting Policies and Practices (cont.)

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, 2021, 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%
Seller's Choice, LLC	New Jersey	100%
Recreatd, LLC	Delaware	100%
Give, LLC	Delaware	100%
Creatd Partners LLC	Delaware	100%
Dune Inc..	Delaware	50%
Plant Camp LLC	Delaware	89%
Sci-Fi Shop, LLC	Delaware	100%
OG Collection LLC.	Delaware	100%
VMENA LLC	Delaware	100%
Vocal For Brands, LLC	Delaware	100%
Vocal Ventures LLC	Delaware	100%
What to Buy, LLC	Delaware	100%
WHE Agency, Inc..	Delaware	44%

All inter-company balances and transactions have been eliminated.

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, 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, 2021 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.

Note 2 — Significant Accounting Policies and Practices (cont.)

The Company's Level 2 assets/liabilities include certain of the Company's notes payable and capital lease obligations. 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 provides a summary of the relevant assets and liabilities that are measured at fair value on recurring basis:

Fair Value Measurements as of December 31, 2020

	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	$ 62,733	$ —	$ —	$ 62,733
Total assets	$ 62,733	$ —	$ —	$ 62,733
Liabilities:				
Derivative liabilities	$ 42,231	$ —	$ —	$ 42,231
Total Liabilities	42,231	$ —	$ —	$ 42,231

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	$ —	$ —	$ —	$ —
Liabilities:				
Derivative liabilities	$ —	$ —	$ —	$ —
Total Liabilities	—	$ —	$ —	$ —

Note 2 — Significant Accounting Policies and Practices (cont.)

The following table shows the valuation methodology and unobservable inputs for Level 3 assets and liabilities measured at fair value on recurring basis as of December 31, 2021 and 2020:

	Fair Value As of December 31, 2021	Fair Value As of December 31, 2020	Valuation Methodology	Unobservable Inputs
Marketable securities – debt securities	$ —	$ 62,733	Discounted cash flow analysis	Expected cash flows from the investment
Derivative liabilities	$ —	$ 42,231	Monte Carlo simulations and Binomial model	Risk free rate Expected volatility; Drift rate

The following tables provides a summary of the relevant assets that are measured at fair value on 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
Total assets	$ 50,000	$ —	$ —	$ 50,000

Fair Value Measurements as of December 31, 2020

	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	$ 217,096	$ —	$ —	$ 217,096
Total assets	$ 217,096	$ —	$ —	$ 217,096

The following table shows the valuation methodology and unobservable inputs for Level 3 assets measured at fair value on non-recurring basis as of December 31, 2021:

	Fair Value As of December 31, 2021	Fair Value As of December 31, 2020	Valuation Methodology	Unobservable Inputs
Equity investments, at cost	$ —	$ 217,096	Qualitative assessment per ASC 321-10-35	Qualitative factors

Note 2 — Significant Accounting Policies and Practices (cont.)

The Company recognizes impairment on loans or notes receivable (that do not meet the definition of a debt security) when it is probable that it will be unable to collect all amounts due according to the contractual terms, and the amount of loss can be estimated. The loss is estimated based on the present value of expected cash flows.

The change in net realized depreciation on equity trading securities that has been included in other expenses for the year ended December 31, 2021 and 2020 was $0 and $(7,453), respectively.

The Company valued the initial value of debt securities, which are investments in convertible notes receivable, by assessing the separate values of the debt and equity components for similar instruments convertible into private company equity (Level 3). The investment was initially measured at cost, which was determined to approximate fair value due to the lack of marketability of the conversion shares underlying these convertible instruments and the expected recoverability of the note principal. The key assumption affecting the level 3 fair values would be observable price changes to the equity investments. The Company monitors for impairment indicators at each balance sheet date.

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. As of December 31, 2021 and 2020, cash amounts in excess of $250,000 were not fully insured. The uninsured cash balance as of December 31, 2021 and 2020, was approximately $2.7 million and $7.7 million, respectively. 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 $675,024 that are considered to be 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

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 Goodwill and Other Acquired Intangible Assets

We evaluate the recoverability of property and equipment and acquired finite-lived intangible 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

Note 2 — Significant Accounting Policies and Practices (cont.)

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. 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, 2021 and 2020, the Company recorded an impairment charge of $688,127.00 and $0, respectively 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 are 7.26 years.

Scheduled amortization over the next five years are as follows:

Twelve months ending December 31,	
2022	$ 493,660
2023	407,848
2024	347,936
2025	231,624
2026	219,749
Thereafter	732,024
Total	$ 2,432,841

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 has four reporting units. 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, 2021, the Company completed its annual impairment test of goodwill. The Company performed the qualitative assessment as permitted by ASC 350-20 and determined for three of its reporting units that the fair value of those reporting units was more likely than not greater than their carrying value, including Goodwill. However, based on this qualitative assessment, the Company determined that the carrying value of the Seller's Choice reporting unit was more likely than not greater than its carrying value, including Goodwill. Based on completion of the annual impairment test, the Company recorded an impairment charge of $1,035,795 for goodwill.

The following table sets forth a summary of the changes in goodwill for the years ended December 31, 2020 and 2021.

	For the years ended December 31, 2021 and 2020 Total
As of January 1, 2020 and 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

Note 2 — Significant Accounting Policies and Practices (cont.)

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, 2021 and 2020 Total
As of January 1, 2020	—
Purchase of marketable securities	$ 210,000
Interest due at maturity	4,829
Other than temporary impairment	(50,000)
Conversion of marketable securities	(102,096)
As of December 31, 2020	62,733
Purchase of marketable securities	—
Interest due at maturity	—
Other than temporary impairment	(62,733)
Conversion of marketable securities	—
December 31, 2021	$ —

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

Note 2 — Significant Accounting Policies and Practices (cont.)

events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. During the years ended December 31, 2021 and 2020, the Company recognized a $62,733 and $50,000 respectively 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 2020 Total
As of January 1, 2020	$ —
Purchase of equity investments	115,000
Conversion of marketable securities	102,096
As of December 31, 2020	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	$ 50,000

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 year ended December 31, 2021 the Company recognized a $102,096 impairment of the equity security.

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, 2021, the Company recorded an impairment charge of $487,365 for investments.

Note 2 — Significant Accounting Policies and Practices (cont.)

Commitments and Contingencies

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

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

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

Foreign Currency

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

Derivative Liability

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

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

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

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

Note 2 — Significant Accounting Policies and Practices (cont.)

embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. The Company changed its method of accounting for the debt and warrants through the early adoption of ASU 2017-11 during the three months ended December 31, 2017, on a retrospective basis.

The Company utilizes a Monte Carlo simulation model for the make whole feature and 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 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 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 or 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 years ended December 31, 2021 and 2020 consists of the following:

	Years Ended December 31,	
	2021	**2020**
Agency (Managed Services, Branded Content, & Talent Management Services)	$ 2,256,546	$ 1,100,199
Platform (Creator Subscriptions)	1,926,135	70,623
Ecommerce (Tangible products)	90,433	—
Affiliate Sales	26,453	33,748
Other Revenue	150	8,300
	$ 4,299,717	$ 1,212,870

Note 2 — Significant Accounting Policies and Practices (cont.)

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 years ended December 31, 2021 and 2020 consists of the following:

	Years Ended December 31, 2021	Years Ended December 31, 2020
Products and services transferred over time	$ 4,182,681	$ 1,100,199
Products and services transferred at a point in time	117,036	112,671
	$ 4,299,717	$ 1,212,870

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 $7,500 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.

Note 2 — Significant Accounting Policies and Practices (cont.)

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 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-$50,000.
- The Company collects fixed fees in the amount of 20% of the gross contract amount, ranging from $100 to $20,000 in net revenue per contract.
- The campaign is created and made live by the influencer within one month of the signed agreement, or as previously negotiated with the client.
- 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. Estimates are utilized for payments made for earnings through reads, by establishing the lifetime a subscriber has had a Vocal account, determining the percentage of that lifetime that the subscriber has been a paying customer, and applying that percentage to payments for earnings through reads in the relevant reporting period.

Affiliate Sales Revenue

Affiliate sales represents the commission the Company receives when a purchase is made through affiliate links placed within content hosted on the Vocal platform. Affiliate revenue is earned on a "click through" basis, upon referring visitors, via said links, to an affiliate's site and having them complete a specific outcome, most commonly a product purchase. The Company uses multiple affiliate platforms, such as Skimlinks, Amazon, and Tune, to form and maintain thousands of vendor relationships. Each vendor establishes their own commission percentage, which typically range from 2-20%. The revenue is recognized upon receipt as reliable estimates could not be made.

Note 2 — Significant Accounting Policies and Practices (cont.)

E-Commerce Revenue

The Company's e-commerce businesses are housed under Creatd Ventures, and currently consists of two majority-owned e-commerce companies, Camp (previously Plant Camp) and Dune Glow Remedy ("Dune"). The Company generates revenue through the sale of Camp and Dune'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 items. The Company runs discounts from time to time to promote sales, improve market penetration, and increase customer retention.

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 over the next year. As of December 31, 2021, and 2020, the Company had deferred revenue of $234,159 and $88,637, 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, 2021 and 2020, the Company recorded $110,805 and $53,692, respectively as a bad debt expense. As of December 31, 2021 and 2020, the Company has an allowance for doubtful accounts of $186,147 and $80,509, respectively.

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, 2021 and 2020, the Company has no valuation allowance.

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.

Note 2 — Significant Accounting Policies and Practices (cont.)

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 the expected forfeiture rate. Expected volatility is 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.

Income Taxes

Income taxes are provided in accordance with ASC No. 740, "*Accounting for Income Taxes*". A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carryforwards. Deferred tax expense (benefit) results from the net change during the period of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

During the year ended December 31, 2021 and 2020, we recognized a \$275,213 and \$507,242 respectively, benefit for research and development tax credits in other income on the Statements of Comprehensive Income (Loss). The tax credits were claimed on our previous Australian tax returns and were based upon a research and development costs paid to an Australian company.

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. In periods when losses are reported, which is the case for the years ended December 31, 2021 and 2020 presented in these consolidated financial statements, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

Note 2 — Significant Accounting Policies and Practices (cont.)

The Company had the following common stock equivalents at December 31, 2021 and 2020:

	December 31,	
	2021	2020
Options	2,902,619	541,021
Warrants	5,658,830	3,228,235
Totals	8,561,449	3,769,256

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 December 2019, the FASB issued authoritative guidance intended to simplify the accounting for income taxes (ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"). This guidance eliminates certain exceptions to the general approach to the income tax accounting model and adds new guidance to reduce the complexity in accounting for income taxes. This guidance is effective for annual periods after December 15, 2020, including interim periods within those annual periods. The updated guidance, which became effective for fiscal years beginning after December 15, 2020, did not have a material impact on the Company's consolidated financial statements.

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. ASU 2016-13 is effective for the fiscal year beginning after December 15, 2022, including interim periods within that fiscal year. The Company is currently evaluating the impact of the new guidance on its 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. The ASU will be effective for annual reporting periods after December 15, 2021, and interim periods within those annual periods and early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

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 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

Note 2 — Significant Accounting Policies and Practices (cont.)

modification or exchange. This guidance is effective for annual periods after December 15, 2021, including interim periods within those annual periods. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

In July 2021, the FASB issued ASU No. 2021-05, Lessors — Certain Leases with Variable Lease Payments (Topic 842), Which requires a lessor to classify a lease with variable lease payments that do not depend on an index or rate (hereafter referred to as “variable payments”) as an operating lease on the commencement date of the lease if specified criteria are met. ASU 2021-05 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.

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, 2021, the Company had an accumulated deficit of \$109.6 million, a net loss of \$37.3 million and net cash used in operating activities of \$21.1 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.

On January 30, 2020, the World Health Organization declared the COVID-19 novel coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The COVID-19 coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. While it is unknown how long these conditions will last and what the complete financial impact will be to the Company, capital raising efforts and our operations may be negatively affected.

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, 2021:

	December 31, 2021
Packaging	$ 2,907
Finished goods	103,496
	$ 106,403

Note 5 — Property and Equipment

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

	December 31, 2021	December 31, 2020
Computer Equipment	$ 353,880	$ 284,928
Furniture and Fixtures	102,416	86,888
Leasehold Improvements	11,457	—
	467,753	371,816
Less: Accumulated Depreciation	(364,814)	(315,558)
	$ 102,939	$ 56,258

Depreciation expense was $49,254 and $31,094 for the year ended December 31, 2021 and 2020, respectively.

Note 6 — Equity investments, at cost

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.

On October 2, 2020, the Company converted $102,096 of its marketable debt security into 119,355 shares of preferred stock or a 1.3% equity investment in a private company. During the year ended December 31, 2021, the Company recorded a full impairment on this investment.

On October 23, 2020, the Company entered into an equity interest purchase agreement whereas the Company purchased 3.8% ownership of a private company for $115,000. During the year ended December 31, 2021, the Company acquired additional equity interests that resulted in the Company achieving significant influence over this investee, therefore the investments were reclassified as an equity method investment (see Note 7).

On February 17, 2021, the Company entered into a membership interest purchase agreement whereas the Company purchased another 3.3% ownership of a private company for $100,000. During the year ended December 31, 2021, the Company acquired additional equity interests that resulted in the Company achieving significant influence over this investee, therefore the investments were reclassified as an equity method investment (see Note 7).

Note 6 — Equity investments, at cost (cont.)

On May 21, 2021, the Company entered into a common stock purchase agreement whereas the Company purchased 10.0% ownership of a private company for $50,000.

Note 7 — Equity Method Investments

During the year ended December 31, 2021, we invested $410,000 in cash into Dune, Inc., and received equity interest for services valued at $123,710 that were recorded to other income on the Statement of Operations. Our investment in Dune, Inc., was accounted for under the equity method until the 29% purchased on October 3, 2021 that increased our ownership to 50.41%. During the year ended December 31, 2021, we recorded $16,413 of losses from this investment as equity in net loss from equity method investment and an impairment in investment of $424,632 related to the remeasurement of previously held interest as of October 3, 2021. These amounts are recorded within our consolidated statements of operations. As of December 31, 2021, our Equity method investment total $0.

Note 8 — Notes Payable

Notes payable as of December 31, 2021 and 2020 is as follows:

	Outstanding Principal as of			
	December 31, 2021	December 31, 2020	Interest Rate	Maturity Date
Seller's Choice Note	$ 660,000	$ 660,000	30%	September 2020
The May 2020 PPP Loan Agreement	—	412,500	1%	April 2022
The April 2020 PPP Loan Agreement	198,577	282,432	1%	May 2022
The October 2020 Loan Agreement	—	55,928	14%	July 2021
The November 2020 Loan Agreement	—	23,716	14%	May 2021
The February 2021 Loan Agreement	—	—	14%	July 2021
The July 2021 Loan Agreement	—	—	10%	October 2022
The First December 2021 Loan Agreement	185,655	—	10%	June 2023
The Second December 2021 Loan Agreement	313,979	—	14%	June 2022
	1,358,211	1,434,576		
Less: Debt Discount	(15,547)	—		
Less: Debt Issuance Costs	—	—		
	1,342,664	1,434,576		
Less: Current Debt	(1,278,672)	(1,221,539)		
Total Long-Term Debt	$ 63,992	$ 213,037		

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 is in default on the Seller's Choice note.

During the year ended December 31, 2021, the Company accrued interest of $198,000.

On March 3, 2022, the Company settled the Seller's Choice Note for a cash payment of $799,000.

Note 8 — Notes Payable (cont.)

The First March 2020 Loan Agreement

On March 23, 2020, the Company entered into a loan agreement (the "First March 2020 Loan Agreement") with an individual (the "First March 2020 Lender") whereby the First March 2020 Lender issued the Company a promissory note of $11,000 (the "First March 2020 Note"). Pursuant to the First March 2020 Loan Agreement, the First March 2020 Note has an effective interest rate of 25%. The maturity date of the First March 2020 Note was September 23, 2020 (the "First March 2020 Maturity Date"), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First March 2020 Note were due.

During the year ended December 31, 2020, the Company repaid $11,000 in principal and $2,695 in interest.

The Second March 2020 Loan Agreement

On March 26, 2020, the Company entered into a loan agreement (the "Second March 2020 Loan Agreement") with an individual (the "Second March 2020 Lender"), whereby the Second March 2020 Lender issued the Company a promissory note of $17,000 (the "Second March 2020 Note"). Pursuant to the Second March 2020 Loan Agreement, the Second March 2020 Note has an effective interest rate of 19%. The maturity date of the Second March 2020 Note was September 17, 2020 (the "Second March 2020 Maturity Date"), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the Second March 2020 Note were due.

During the year ended December 31, 2020, the Company repaid $17,000 in principal and $1,398 in interest.

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.

The Company is in the process of returning the funds received from the Loan.

When the applications for PPP first opened up, there was limited available funding and much confusion surrounding the application process. The Company initially submitted its application for the May 2020 PPP Loan in early April but received no response in the aftermath of submitting the application. After consulting multiple advisors, the Company made the decision to apply elsewhere, due to the rampant media coverage of institutions running out of funding and the Company's need for the capital and belief that if 2 separate loans were approved, the remaining application could simply be withdrawn.

Therefore, in late April, the company proceeded with applying for the April 2020 PPP Loan. After some conflicting communications regarding acceptance, the Company attempted to contact the lender to clarify but got no response. After continued attempts to follow up with both lenders, the Company received approval for the May 2020 PPP Loan and funding for the April 2020 PPP Loan on the same day, followed the next day by the funding of the May 2020 PPP Loan. The Company immediately separated the funds for the April 2020 PPP Loan into a separate reserved bank account with the intention of returning the funds. However, after several attempts to contact the lender with no response, the Company was faced with difficulty raising funds in the early-Covid economy and made the decision

Note 8 — Notes Payable (cont.)

to utilize the funds for operations and pursue an installment repayment plan when they were able to reach the lender. As of the date of this filing, the Company has begun making repayments on the loan, absent a formal installment agreement due to difficulties reaching the lender.

As each company is only permitted one loan under the CARES Act, there is a possibility the loan may be called by the SBA and the Company would have to repay the loan in full at such time.

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 June 2020 Loan Agreement

On June 30, 2020, the Company entered into a loan agreement (the "June 2020 Loan Agreement") with a banking institution (the "June 2020 Lender"), whereby the June 2020 Lender issued the Company a promissory note of A$510,649 Australian dollar ("AUD") or $351,692 United States Dollar (the "June 2020 Note"). Pursuant to the June 2020 Loan Agreement, the June 2020 Note has an effective interest rate of 15%. The maturity date of the June 2020 Note was July 31, 2020 (the "June 2020 Maturity Date") at which time all outstanding principal, accrued and unpaid interest and other amounts due under the June 2020 Note were due in AUD currency. This loan was secured by the Australian research & development credit.

During the year ended December 31, 2020 the Company repaid A$510,649 in principal and A$14,814 in 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.

Note 8 — Notes Payable (cont.)

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,

Note 8 — Notes Payable (cont.)

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.

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 loan is secured by the Australian research & development credit.

During the year ended December 31, 2021, the Company accrued $2,857 AUD in interest.

Note 9 — Convertible Notes Payable

Convertible notes payable as of December 31, 2021, and 2020, is as follows:

	Outstanding Principal as of						Warrants granted	
	December 31, 2021	December 31, 2020	Interest Rate	Conversion Price		Maturity Date	Quantity	Exercise Price
The September 2020 convertible Loan Agreement	$ —	$ 341,880	12%	—	(*)	September – 21	85,555	5
The First December 2020 convertible Loan Agreement	—	600,000	12%	—	(*)	December – 21	—	—
The October 2020 convertible Loan Agreement	—	169,400	6%	—	(*)	October – 21	—	—
The Second December 2020 convertible Loan Agreement	—	169,400	6%	—	(*)	December – 21	—	—
The May 2021 Loan	—	—	—%	5.00	(*)	November – 22	1,090,908	4.50
The July 2021 Loan	168,850	—	6%	—	(*)	July – 22		
	168,850	1,280,680						
Less: Debt Discount	(8,120)	(309,637)						
Less: Debt Issuance Costs	(1,537)	(73,527)						
		897,516						
Less: Current Debt	(159,193)	(897,516)						
Total Long-Term Debt	$ —	$ —						

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

The February 2018 Convertible Note Offering

During the three months ended March 31, 2018, the Company conducted multiple closings of a private placement offering to accredited investors (the "February 2018 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "February 2018 Investors") for aggregate gross proceeds of $725,000. In addition, $250,000 of the Company's short-term debt along with accrued but unpaid interest of $40,675 was exchanged for convertible debt in the February 2018 Offering. These conversions resulted in the issuance of 24,223 warrants with a fair value of $181,139. These were recorded as a loss on extinguishment of debt.

Note 9 — Convertible Notes Payable (cont.)

The February 2018 Convertible Note Offering consisted of a maximum of $750,000 of units of the Company's securities (each, a "February 2018 Unit" and collectively, the "February 2018 Units"), with each February 2018 Unit consisting of (a) a 15% Convertible Secured Promissory Note (each a "February 2018 Convertible Note" and together the "February 2018 Convertible Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("February 2018 Conversion Shares") at a conversion price of $12.00 per share (the "February 2018 Note Conversion Price"), and (b) a five-year warrant (each a "February 2018 Offering Warrant and together the "February 2018 Offering Warrants") to purchase common stock equal to one hundred percent (100%) of the shares into which the February 2018 Convertible Notes can be converted into ("February 2018 Warrant Shares") at an exercise price of $12.00 per share ("February 2018 Warrant Exercise Price"). The February 2018 Offering Notes mature on the second (2nd) anniversary of their issuance dates. The February 2018 Offering Notes are secured by a second priority security interest in the Company's assets up to $1,000,000.

The February 2018 Note Conversion Price and the February 2018 Offering Warrant Exercise Price are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price and Exercise Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The conversion feature of the February 2018 Convertible Note Offering provides for an effective conversion price that is below market value on the date of issuance. Such feature is normally characterized as a beneficial conversion feature ("BCF"). When the Company records a BCF the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The Company recorded a BCF and related debt discount of $37,350, the discount is being accreted over the life of the first Debenture to accretion of debt discount and issuance cost.

The Company recorded a $316,875 debt discount relating to 60,416 February 2018 Offering 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.

In connection with the February 2018 Convertible Note Offering, the Company retained a placement agent (the "Placement Agent"), to carry out the Offering on a "best-efforts" basis. For services in its capacity as Placement Agent, the Company has paid the Placement Agent a cash fee of $94,250 and issued to the Placement Agent shares of the Company's common stock equal to ten percent (10%) of the Conversion Shares underlying the February 2018 Convertible Notes or 6,041 shares that had a fair value of $74,881, which was recorded as issuance cost and is being accreted over the life of these notes to accretion of debt discount and issuance cost.

During the year ended December 31, 2018, the Company converted $940,675 of principal and $86,544 of unpaid interest into the August 2018 Equity Raise.

During the year ended December 31, 2019 the Company repaid $19,758 in interest.

During the year ended December 31, 2020 the Company repaid $75,000 in principal and $781 in interest, and the February 2018 Convertible Notes are no longer outstanding.

The March 2018 Convertible Note Offering

During the three months ended March 31, 2018, the Company conducted multiple closings of a private placement offering to accredited investors (the "March 2018 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "March 2018 Investors") for aggregate gross proceeds of $770,000. In addition, $50,000 of the Company's short-term debt, $767 accrued but unpaid interest and $140,600 of the Company's vendor liabilities was exchanged for convertible debt within the March 2018 Convertible Note Offering. These conversions resulted in the issuance of 15,947 warrants with a fair value of $84,087. These were recorded as a loss on extinguishment of debt.

Note 9 — Convertible Notes Payable (cont.)

The March 2018 Convertible Note Offering consisted of a maximum of $900,000, with an over-allotment option of an additional $300,000 of units of the Company's securities (each, a "March 2018 Unit" and collectively, the "March 2018 Units"), with each March 2018 Unit consisting of (a) a 14% Convertible Secured Promissory Note (each a "March 2018 Note" and together the "March 2018 Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at a conversion price of $12.00 per share (the "Conversion Price"), and (b) a four-year warrant (each a "Warrant and together the "Warrants") to purchase common stock equal to one hundred percent (100%) of the shares into which the Notes can be converted into ("Warrant Shares") at an exercise price of $12.00 per share ("Exercise Price"). The March 2018 Notes mature on the second (2nd) anniversary of their issuance dates.

The Conversion Price of the March 2018 Note and the Exercise Price of the Warrants are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price and Exercise Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The Company recorded a $254,788 debt discount relating to 80,114 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, 2018, the Company converted $886,367 of principal and $51,293 of unpaid interest pursuant to the August 2018 Equity Raise.

During the year ended December 31, 2020, the Company converted $50,000 of principal and $17,949 of unpaid interest into the September 2020 Equity Raise.

During the year ended December 31, 2020, the Company repaid $25,000 in principal and $9,364 in interest.

The February 2019 Convertible Note Offering

During the year ended December 31, 2019, the Company conducted an offering to accredited investors (the "February 2019 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "February 2019 Investors") for aggregate gross proceeds of $1,993,025.

The February 2019 Convertible Note Offering consisted of (a) a 10% Convertible Promissory Note (each a "February 2019 Note" and together, the "February 2019 Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $15.00 per share or (ii) the price provided to investors in connection with (a) any private placement offerings or one or more registered public offerings by the Company under the Securities Act, pursuant to which the Company receives monies in the amount greater than $1,500,000 in exchange for securities of the Company between February 21, 2019 and the date on which the Company's consummates a listing onto a national securities exchange, or (b) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering"), and (b) a four-year stock purchase warrant (each a "Warrant and together the "Warrants") to purchase a quantity of shares of the Company's common stock up to thirty-three percent (33%) of the number of shares of common stock into which the underlying Notes may be converted, at an exercise price of $18.00 per share ("Exercise Price"). During the year ended December 31, 2019 a total of 44,396 Warrants were issued in conjunction with The February 2019 Convertible Note Offering.

The February 2019 Notes mature on the first (1st) anniversary of their issuance dates. In the event that the Offering's Purchasers do not choose to convert the Notes into the Common Stock on or prior to the Maturity Dates, the principal and interest evidenced by the Note shall be mandatorily converted upon the earlier of (i) the listing of the Common Stock onto a national securities exchange, or (ii) upon a Qualified Offering.

Note 9 — Convertible Notes Payable (cont.)

The Conversion Price of the February 2019 Note and the Exercise Price of the Warrants are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price and Exercise Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The Company recorded a $222,632 debt discount relating to 44,396 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, 2020, the Company converted $1,963,567 of principal and $416,786 of unpaid interest into the September 2020 Equity Raise.

During the year ended December 31, 2020, the Company repaid $348,136 in principal and $0 in interest.

The November 2019 Convertible Note Offering

During the year ended December 31, 2019, the Company conducted an offering to accredited investors (the "November 2019 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "November 2019 Investors") for aggregate gross proceeds of $479,500. In addition, the Company converted $318,678 in Accounts Payable into this offering.

The November 2019 Convertible Note Offering consisted of (a) a 10% Convertible Promissory Note (each a "November 2019 Note" and together, the "November 2019 Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at a fixed conversion price equal to $13.50 per share.

The November 2019 Notes mature six months after the anniversary of their issuance dates. At any time on or after the maturity date, at the election of the Offering's Purchaser, this Note may convert into Common Stock equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest of this Note on the date of such conversion by $13.50.

The Company recorded a $84,377 debt discount relating to an original issue discount equal to $79,933 and a beneficial conversion feature of $4,444. 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, 2020, the Company converted $559,433 of principal and $77,785 of unpaid interest into the September 2020 Equity Raise.

The January 2020 Convertible Note Offering

During the three months ended March 31, 2020, the Company conducted an offering to accredited investors (the "January 2020 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "January 2020 Investors") for aggregate gross proceeds of $87,473.

The January 2020 Convertible Note Offering consisted of (a) a 12% Convertible Promissory Note (each a "January 2020 Note" and together, the "January 2020 Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $13.50 per share or (ii) the price provided to investors in connection with (a) any private placement offerings or one or more registered public offerings by the Company under the Securities Act, pursuant to which the Company receives monies in the amount greater than $1,500,000 in exchange for securities of the Company, or (b) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

Note 9 — Convertible Notes Payable (cont.)

The January 2020 Notes mature on the first (6th) month anniversary of their issuance dates. If an event of default occurs and is not cured within 30 days of the Company receiving notice, the notes will be convertible at 80% multiplied by the lowest VWAP of the common stock during the five (5) consecutive trading day period immediately preceding the date of the respective conversion, and a default interest rate of 24% will become effective.

The Conversion Price of the January 2020 Note are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The Company recorded a $12,473 debt discount relating to original issue discount associated with these notes. 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, 2020, the Company converted $87,473 of principal and $8,275 of unpaid interest into the September 2020 Equity Raise.

The First February 2020 Convertible Loan Agreement

On February 4, 2020, the Company entered into a loan agreement (the "First February 2020 Loan Agreement") with an individual (the "First February 2020 Lender"), whereby the First February 2020 Lender issued the Company a promissory note of $85,000 (the "First February 2020 Note"). Pursuant to the First February 2020 Loan Agreement, the First February 2020 Note has interest of ten percent (10%).

The First February 2020 Note are convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $12.00 per share or (ii) the price provided to investors in connection with (a) any private placement offerings or one or more registered public offerings by the Company under the Securities Act, pursuant to which the Company receives monies in the amount greater than $1,500,000 in exchange for securities of the Company, or (b) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

The First February 2020 Notes mature on the first (6th) month anniversary of their issuance dates. In the event that the Offering's Purchasers do not choose to convert the Notes into the Common Stock on or prior to the Maturity Dates and the Notes have not been repaid or an event of default occurs as defined in the Notes, the notes will be convertible at the lesser of the fixed conversion price or 65% multiplied by the lowest trade of the common stock during the twenty (20) consecutive trading day period immediately preceding the date of the respective conversion and a default interest rate of 15% will be applied.

The Conversion Price of the First February 2020 Note are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The Company recorded a $8,000 debt discount relating to original issue discount associated with these notes. 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, 2020, the Company repaid $158,065 in principal and $0 in interest.

The Second February 2020 Convertible Loan Agreement

On February 11, 2020, the Company entered into a loan agreement (the "Second February 2020 Loan Agreement") with an individual (the "Second February 2020 Lender"), whereby the Second February 2020 Lender issued the Company a promissory note of $200,000 (the "Second February 2020 Note"). Pursuant to the Second February 2020

Note 9 — Convertible Notes Payable (cont.)

Loan Agreement, the Second February 2020 Note has interest of twelve percent (12%). As additional consideration for entering in the Second February 2020 convertible Loan Agreement, the Company issued a five-year warrant to purchase 6,666 shares of the Company's common stock at a purchase price of $15.00 per share.

The Second February 2020 Note is convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $13.50 per share or (ii) the price provided to investors in connection with (a) any private placement offerings or one or more registered public offerings by the Company under the Securities Act, pursuant to which the Company receives monies in the amount greater than $1,500,000 in exchange for securities of the Company, or (b) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

The Second February 2020 Note matures on the first (12^{th}) month anniversary of its issuance date. In the event that the Offering's Purchasers do not choose to convert the Notes into the Common Stock on or prior to the Maturity Date and the Note is unpaid, the note will be convertible at the lesser of the fixed conversion price or 75% multiplied by the lowest trade of the common stock during the twenty (20) consecutive trading day period immediately preceding the date of the respective conversion.

The Conversion Price of the First February 2020 Note is subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The Company recorded a $33,340 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, 2020, the Company converted $125,000 of principal and $0 of unpaid interest into the September 2020 Equity Raise.

The Company recorded a Loss on extinguishment of debt of $136,115.

During the year ended December 31, 2020, the Company repaid $175,000 in principal and $0 in interest.

The Third February 2020 Convertible Loan Agreement

On February 25, 2020, the Company entered into a loan agreement (the "Third February 2020 Loan Agreement") with an individual (the "Third February 2020 Lender"), whereby the Third February 2020 Lender issued the Company a promissory note of $1,500,000 (the "Third February 2020 Note"). The Company received proceeds of $864,950 and converted notes payable of $385,000 in exchange for the note (see Note 5). Pursuant to the Third February 2020 Loan Agreement, the Second February 2020 Note has interest of twelve percent (12%).

The Third February 2020 Note is convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $4.50 per share or (ii) the price provided to investors in connection with (a) any private placement offerings or one or more registered public offerings by the Company under the Securities Act, pursuant to which the Company receives monies in the amount greater than $1,500,000 in exchange for securities of the Company, or (b) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

Note 9 — Convertible Notes Payable (cont.)

The Third February 2020 Note matures on the first (12th) month anniversary of their issuance dates. In the event that the Offering's Purchasers do not choose to convert the Notes into the Common Stock on or prior to the Maturity Dates and the note is unpaid, the notes will be convertible at the lower of the fixed conversion price or 75% multiplied by the lowest trade of the common stock during the twenty (20) consecutive trading day period immediately preceding the date of the respective conversion.

The Conversion Price of the Third February 2020 Note are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price being reduced to such lower purchase price, subject to carve-outs as described therein.

In accordance with ASC 470-50, since the present value of the cash flows under the new debt instrument was at least ten percent different from the present value of the remaining cash flows under the terms of the original debt instrument, the Company accounted for the note exchange as described above as a debt extinguishment. The Company recorded a loss on debt extinguishment of $535,041. This represents the fair value of the warrants issued $445,705 and a debt premium of $89,336. The note has an effective interest rate of 24%. The Company recorded a debt discount of $160,714. This is made up of an original issue discount of $250,050 less a debt premium of $89,336.

During the year ended December 31, 2020, the Company converted $1,500,000 of principal and $100,603 of unpaid interest into the September 2020 Equity Raise.

The April 2020 Convertible Note Offering

During April of 2020, the Company conducted multiple closings of a private placement offering to accredited investors (the "April 2020 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "April 2020 Investors") for aggregate gross proceeds of $350,010. The April 2020 Convertible Note Offering accrues interest at a rate of twelve percent per annum (12%). The April 2020 Convertible Note Offering mature on the six (6th) month anniversary of their issuance dates.

The April 2020 Note is convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $13.50 per share after the maturity date or (ii) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

The Company recorded a $50,010 debt discount relating to original issue discount associated with these notes. 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, 2020, the Company converted $350,010 of principal and $16,916 of unpaid interest into the September 2020 Equity Raise.

The June 2020 Convertible Loan Agreement

On June 19, 2020, the Company entered into a loan agreement (the "June 2020Loan Agreement") with an individual (the "June 2020 Lender"), whereby the June 2020 Lender issued the Company a promissory note of $550,000 (the "June 2020 Note"). Pursuant to the June 2020 Loan Agreement, the June 2020 Note has interest of twelve percent (12%). As additional consideration for entering in the June 2020 convertible Loan Agreement, the Company issued a five-year warrant to purchase 49,603 shares of the Company's common stock at a purchase price of $11.55 per share. The June 2020 Note matures on the first (12th) month anniversary of its issuance date.

Upon default the June 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.

Note 9 — Convertible Notes Payable (cont.)

The Company recorded a $67,500 debt discount relating to original issue discount associated with this note. The Company recorded a $274,578 debt discount relating to 49,603 warrants and 5,424 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, 2020, the lender converted $59,200 of principal into the Second July 2020 Convertible Loan Agreement

During the year ended December 31, 2020, the Company repaid $490,800 in principal and $16,944 in interest.

The First July 2020 Convertible Loan Agreement

On July 01, 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 $.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 Second July 2020 Convertible Loan Agreement

On July 17, 2020, the Company entered into a loan agreement (the "Second July 2020 Loan Agreement") with an individual (the "Second July 2020 Lender"), whereby the Second July 2020 Lender issued the Company a promissory note of $250,000 (the "Second July 2020 Note"). Pursuant to the Second July 2020 Loan Agreement, the Second July 2020 Note has interest of twelve percent (12%). The Second July 2020 Note matures on July 17, 2021.

Upon default the Second July 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 $46,750 debt discount relating to original issue discount associated with this note. The Company recorded a $71,329 debt discount relating to 6,667 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, 2020, the Company repaid $250,000 in principal and $0 in interest.

Note 9 — Convertible Notes Payable (cont.)

The July 2020 Convertible Note Offering

From July 2020 to September 2020, the Company conducted multiple closings of a private placement offering to accredited investors (the “July 2020 Convertible Note Offering”) of units of the Company’s securities by entering into subscription agreements with “accredited investors” (the “July 2020 Investors”) for aggregate gross proceeds of $390,000. The July 2020 Convertible Note Offering accrues interest at a rate of twelve percent per annum (12%). The July 2020 Convertible Note Offering mature on the six (6^{th}) month anniversary of their issuance dates.

The July 2020 Note Offering is convertible into shares of the Company’s common stock, par value $.001 per share (“Conversion Shares”) at the lesser of (i) a fixed conversion price equal to $12.75 per share after the maturity date or (ii) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a “Qualified Offering”).

Upon default the July 2020 Convertible Note Offering is convertible into shares of the Company’s common stock, par value $.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.

The conversion feature of the July 2020 Convertible Note Offering provides for an effective conversion price that is below market value on the date of issuance. Such feature is normally characterized as a beneficial conversion feature. When the Company records a BCF the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The Company recorded a BCF and related debt discount of $38,215, the discount is being accreted over the life of the Debenture to accretion of debt discount and issuance cost.

The Company recorded a $158,078 debt discount relating to 30,589 July 2020 Convertible Note Offering 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.

During the year ended December 31, 2020, the Company converted $390,000 of principal and $3,436 of unpaid interest into the September 2020 Equity Raise.

The August 2020 Convertible Loan Agreement

On August 17, 2020, the Company entered into a loan agreement (the “August 2020 Loan Agreement”) with an individual (the “August 2020 Lender”), whereby the August 2020 Lender issued the Company a promissory note of $68,000 (the “August 2020 Note”). Pursuant to the August 2020 Loan Agreement, the August 2020 Note has interest of twelve percent (12%). The August 2020 Note matures on August 17, 2021.

Upon default or 180 days after issuance the August 2020 Convertible Note is convertible into shares of the Company’s common stock, par value $.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.

The Company recorded a $3,000 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.t

During the year ended December 31, 2021, the August 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 August 2020 Note gave rise to a derivative liability of $120,759. The Company recorded $65,000 was recorded as a debt discount and $55,759 was recorded to derivative expense. The debt discount is charged to accretion of debt discount over the remaining term of the convertible note.

Note 9 — Convertible Notes Payable (cont.)

During the year ended December 31, 2021, the Company converted $68,000 in principal and $3,400 in interest into 29,859 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 $.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 (12^{th}) 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,

Note 9 — Convertible Notes Payable (cont.)

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 (12^{th}) 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 Second December 2020 Convertible Loan Agreement

On December 30, 2020, the Company entered into a loan agreement (the "Second December 2020 Loan Agreement") with an individual (the "Second December 2020 Lender"), whereby the Second December 2020 Lender issued the Company a promissory note of $169,400 (the "Second December 2020 Note"). Pursuant to the Second December 2020 Loan Agreement, the Second December 2020 Note has interest of six percent (6%). The Second December 2020 Note matures on the first (12^{th}) month anniversary of its issuance date.

Upon default the Second December 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 $18,900 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 December 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 December 2020 Note gave rise to a derivative liability of $108,880. 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 $168,900 in principal and $4,605 in interest into 74,706 shares of the Company's common stock.

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.

Note 9 — Convertible Notes Payable (cont.)

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 (12^{th}) 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, 2021, the Company accrued $4,941 in interest.

Note 10 — Related Party

Note receivable

October 2019 Cacher Loan Agreement

On October 28, 2019, the Company entered into a loan agreement with Cacher Studios LLC (the "October 2019 Cacher Loan Agreement") whereby Cacher Studios issued the Company a promissory note in the principal amount of $11,450 (the "October 2019 Cacher Note"). The October 2019 Cacher Note has a maturity date of October 28, 2020. Repayment is due from Cacher Studios LLC's revenues, with 100% of net revenues due to the Company until $2,500 in principal has been repaid, and 50% of net revenues due to the Company thereafter. Cacher Studios LLC is owned and operated by Alexandra Frommer, daughter of Jeremy Frommer, the Company's CEO. This investment is evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. During the year ended December 31, 2020 the Company recorded an impairment of $11,450.

Convertible notes

The March 2018 Convertible Note Offering

During the year ended December 31, 2018, the Company conducted multiple closings of a private placement offering to accredited investors (the "March 2018 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "Investors") for aggregate gross proceeds of $239,400.

Note 10 — Related Party (cont.)

The March 2018 Convertible Note Offering consisted of a maximum of $900,000, with an over-allotment option of an additional $300,000, of units of the Company's securities (each, a "March 2018 Unit" and collectively, the "March 2018 Units"), with each March 2018 Unit consisting of (a) a 14% Convertible Secured Promissory Note (each a "March 2018 Note" and together the "March 2018 Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at a conversion price of $12.00 per share (the "Conversion Price"), and (b) a four-year warrant (each a "Warrant and together the "Warrants") to purchase common stock equal to one hundred percent (100%) of the shares into which the Notes can be converted into ("Warrant Shares") at an exercise price of $12.00 per share ("Exercise Price"). The Notes mature on the second (2nd) anniversary of their issuance dates.

The Conversion Price of the Note and the Exercise Price of the Warrants are subject to adjustment for issuances of the Company's common stock or any equity linked instruments or securities convertible into the Company's common stock at a purchase price of less than the prevailing Conversion Price or Exercise Price. Such adjustment shall result in the Conversion Price and Exercise Price being reduced to such lower purchase price, subject to carve-outs as described therein.

The Company recorded a $84,854 debt discount relating to 19,950 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.

During the year ended December 31, 2018, the Company converted $239,000 of principal and $15,401 of unpaid interest into the August 2018 Equity Raise.

During the year ended December 31, 2020 the lender forgave $400 of principal and $70 of unpaid interest. This was recorded as a gain on settlement of debt on the Consolidated Statements of Comprehensive Income (Loss).

The February 2019 Convertible Note Offering

During the year ended December 31, 2019, the Company conducted an offering to accredited investors (the "February 2019 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "February 2019 Investors") for aggregate gross proceeds of $20,000.

The February 2019 Convertible Note Offering consisted of (a) a 10% Convertible Promissory Note (each a "February 2019 Note" and together, the "February 2019 Notes"), convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $15.00 per share or (ii) the price provided to investors in connection with (a) any private placement offerings or one or more registered public offerings by the Company under the Securities Act, pursuant to which the Company receives monies in the amount greater than $1,500,000 in exchange for securities of the Company between February 21, 2019 and the date on which the Company's consummates a listing onto a national securities exchange, or (b) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering"), and (b) a four-year stock purchase warrant (each a "Warrant and together the "Warrants") to purchase a quantity of shares of the Company's common stock up to thirty-three percent (33%) of the number of shares of common stock into which the underlying Notes may be converted, at an exercise price of $18.00 per share ("Exercise Price"). During the year ended December 31, 2019 a total of 440 Warrants were issued in conjunction with The February 2019 Convertible Note Offering.

The February 2019 Notes mature on the first (1st) anniversary of their issuance dates. In the event that the Offering's Purchasers do not choose to convert the Notes into the Common Stock on or prior to the Maturity Dates, the principal and interest evidenced by the Note shall be mandatorily converted upon the earlier of (i) the listing of the Common Stock onto a national securities exchange, or (ii) upon a Qualified Offering.

The Company recorded a $2,465 debt discount relating to 440 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.

Note 10 — Related Party (cont.)

During the year ended December 31, 2019, $20,000 of principal was converted from a promissory note into this offering.

During the year ended December 31, 2020, the Company converted $20,000 of principal and $3,065 of unpaid interest into the September 2020 Equity Raise.

The July 2020 Convertible Note Offering

From July 2020 to September 2020, the Company conducted multiple closings of a private placement offering to accredited investors (the "July 2020 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "July 2020 Investors") for aggregate gross proceeds of $50,000. The July 2020 Convertible Note Offering accrues interest at a rate of twelve percent per annum (12%). The July 2020 Convertible Note Offering mature on the six (6th) month anniversary of their issuance dates.

The July 2020 Note Offering is convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $12.75 per share after the maturity date or (ii) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

Upon default the July 2020 Convertible Note Offering is convertible into shares of the Company's common stock, par value $.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.

The conversion feature of the July 2020 Convertible Note Offering provides for an effective conversion price that is below market value on the date of issuance. Such feature is normally characterized as a beneficial conversion feature. When the Company records a BCF the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The Company recorded a BCF and related debt discount of $9,812, the discount is being accreted over the life of the Debenture to accretion of debt discount and issuance cost.

The Company recorded a $21,577 debt discount relating to 3,922 July 2020 Convertible Note Offering 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.

During the year ended December 31, 2020, the Company converted $50,000 of principal and $630 of unpaid interest into the September 2020 Equity Raise.

Notes payable

Notes payable — related party as of December 31, 2021 and 2020 is as follows:

	Outstanding Principal as of				Warrants granted	
	December 31, 2021	December 31, 2020	Interest Rate	Maturity Date	Quantity	Exercise Price
The September 2020 Goldberg Loan Agreement	—	16,705	7%	September 2022	—	—
The September 2020 Rosen Loan Agreement	—	3,295	7%	September 2022	—	—
	—	20,000				
Less: Debt Discount	—	(17,068)				
	—	2,932				
Less: Current Debt	—	(2,932)				
	$ —	$ —				

Note 10 — Related Party (cont.)

The June 2018 Frommer Loan Agreement

On June 29, 2018, the Company entered into a loan agreement (the "June 2018 Frommer Loan Agreement") with Jeremy Frommer, an officer and director of the Company, whereby the Company issued Frommer a promissory note in the principal amount of $10,000 (the "June 2018 Frommer Note"). As additional consideration for entering in the June 2018 Frommer Note Loan Agreement, the Company issued Frommer a four-year warrant to purchase 500 shares of the Company's common stock at a purchase price of $12.00 per share. Pursuant to the June 2018 Frommer Loan Agreement, the June 2018 Frommer Note bears interest at a rate of 6% per annum and payable on the maturity date of August 17, 2018 (the "June 2018 Frommer Maturity Date"). On November 8, 2018, the Company executed upon an agreement that extended the maturity date of the June 2018 Frommer Agreement to March 7, 2019. As part of the extension agreement, the Company issued Frommer an additional 681 warrants to purchase common stock of the Company at an exercise price of $18.00. These warrants had a fair value of $4,645 which was recorded to loss on extinguishment of debt. On February 18, 2019 the Company executed upon an agreement that further extended the maturity date of the June 2018 Frommer Agreement to March 30, 2019. As part of the extension agreement, the Company issued Frommer an additional 692 warrants to purchase common stock of the Company at an exercise price of $18.00. On March 29, 2019, the Company entered into an agreement with Mr. Frommer that further extended the maturity date of this loan to May 15, 2019. On June 29, 2019 the Company entered into an agreement with Mr. Frommer that further extended the maturity date of this loan to December 15, 2019. On December 15, 2019 the Company entered into an agreement with Mr. Frommer that further extended the maturity date to May 15, 2020.

During the year ended December 31, 2020, the Company converted $10,000 of principal and $2,748 of unpaid interest into the September 2020 Equity Raise and the June 2018 Frommer Note is no longer outstanding.

The July 2018 Schiller Loan Agreement

On July 17, 2018, the Company entered into a loan agreement (the "Second July 2018 Schiller Loan Agreement") with Schiller, a member of the Board, whereby the Company issued Schiller a promissory note in the principal aggregate amount of $25,000 (the "Second July 2018 Schiller Note"). As additional consideration for entering in the Second July 2018 Schiller Loan Agreement, the Company issued Schiller a four-year warrant to purchase 1,250 shares of the Company's common stock at a purchase price of $12.00 per share. Pursuant to the Second July 2018 Schiller Loan Agreement, the Second July 2018 Schiller Note bears interest at a rate of 6% per annum and payable on the maturity date of August 17, 2018. Subsequent to the balance sheet date, on November 8, 2018 the Company executed upon an agreement that extended the maturity date of this loan to March 7, 2019. As part of the extension agreement, the Company issued Schiller warrants to purchase 1,698 shares of common stock of the Company at an exercise price of $18.00. On February 18, 2019 the Company executed upon an agreement that further extended the maturity date of the Second July 2018 Schiller Loan Agreement to March 7, 2019. As part of the extension agreement, the Company issued Schiller an additional 1,726 warrants to purchase common stock of the Company at an exercise price of $18.00. On March 29, 2019 the Company entered into an agreement with Mr. Schiller that further extended the maturity date of this loan to May 15, 2019. On December 15, 2019 the Company entered into an agreement that further extended the maturity date of this loan to May 15, 2020.

During the year ended December 31, 2019 $4,137 in principal was converted into the February 2019 Convertible Note Offering.

During the year ended December 31, 2020 the Company repaid $20,863 in principal and $3,216 in interest.

The June 2019 Loan Agreement

On June 3, 2019, the Company entered into a loan agreement (the "June 2019 Loan Agreement"), pursuant to which the Company was to be indebted in the amount of $2,400,000, of which $1,200,000 was funded by September 30, 2019 and $1,200,000 was exchanged from the May 2016 Rosen Loan Agreement dated May 26, 2016 in favor of Rosen for a joint and several interest in the Term Loan pursuant to the Debt Exchange Agreement. The June 2019 Loan Agreement,

Note 10 — Related Party (cont.)

the June 2019 Loan bears interest at a rate of 12.5% per annum, compounded annually and payable on the maturity date of December 3, 2019 (the "June 2019 Maturity Date") at which time all outstanding principal, accrued and unpaid interest and other amounts due under the June 2019. In connection with the conversion of the May 2016 Rosen Loan Agreement the Company recorded a debt discount of $92,752. The debt discount is being accreted over the life of the note to accretion of debt discount and issuance cost.

On July 29, 2019, the Company entered into the First Amendment Agreement to the June 2019 Loan Agreement pursuant to which the parties agreed to amend the June 2019 Loan Agreement and the June 2019 Security Agreement so as to (i) increase the principal aggregate amount of the June 2019 Loan to $2,500,000, and (ii) amend the provisions regarding the ranking of interest of such loan.

On August 12, 2019, the Company entered into the Second Amendment Agreement to the June 2019 Loan Agreement pursuant to which the parties agreed to further amend the June 2019 Loan Agreement and the June 2019 Security Agreement so as to (i) increase the principal aggregate amount of the June 2019 Loan to $3,000,000, and (ii) amend the provisions regarding the ranking of interest of such loan.

On September 16, 2019, the Company entered into the Third Amendment Agreement to the June 2019 Loan Agreement pursuant to which the parties agreed to further amend the June 2019 Loan Agreement and the June 2019 Security Agreement so as to (i) increase the principal amount of the June 2019 Loan to $4,000,000; and (ii) amend the provisions therein with regard to the ranking of security interests.

On October 10, 2019 the Company and investors entered into the Fourth Amendment Agreement to the June 2019 Loan Agreement, whereby the parties thereto agreed to (i) increase the principal amount of the June 2019 Loan to $4,825,000; and (ii) amend the interest, conversion terms, and other covenants of the note.

On February 27, 2020, the Company entered into a fifth amendment agreement to the June 2019 Loan Agreement, whereby the parties agreed to amend Section 2.6 of the June 2019 Loan Agreement and provide for: (i) an additional 10% of shares to be issued at the time of conversion in the event that the price per share (or unit, as applicable) of securities issued in a Qualified Public Offering (as such term is defined in the Fifth Amendment) is below $15.00; and (ii) provide for the acceleration of all outstanding interest due on the Loan upon the consummation of a Qualified Public Offering.

During year ended December 31, 2020, the Company converted $4,325,000 of principal and $752,346 of unpaid interest into the September 2020 Equity Raise.

During the year ended December 31, 2020 the Company repaid $500,000 in principal and $0 in interest.

The December 2019 Gravitas Loan Agreement

On December 23, 2019, the Company entered into a loan agreement (the "December 2019 Gravitas Loan Agreement"), whereby the Company issued Gravitas a promissory note in the principal amount of $300,000 (the "December 2019 Gravitas Note"). Pursuant to the December 2019 Gravitas Loan Agreement, the December 2019 Gravitas Note has a flat interest payment of $20,000.

During the year ended December 31, 2020 the Company repaid $300,000 in principal and $50,000 in accrued interest.

The First January 2020 Loan Agreement

On January 3, 2020, the Company entered into a loan agreement (the "First January 2020 Loan Agreement") with an individual (the "First January 2020 Lender") whereby the First January 2020 Lender issued the Company a promissory note of $250,000 (the "First January 2020 Note"). Pursuant to the First January 2020 Loan Agreement, the First January 2020 Note has an effective interest rate of 6%. As additional consideration for entering in the First January 2020 Loan Agreement, the Company issued the First January 2020 Lender 1,333 shares of the Company's

Note 10 — Related Party (cont.)

common stock. The maturity date of the First January 2020 Note was January 15, 2020 (the "First January 2020 Maturity Date") at which time all outstanding principal, accrued and unpaid interest and other amounts due under the First January 2020 Note were due. The Company recorded a $16,000 debt discount relating to the 1,333 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 these notes to accretion of debt discount and issuance cost.

During the year ended December 31, 2020, the Company converted $250,000 in principal to the Third February 2020 Note (as defined in Note 8).

The Second January 2020 Loan Agreement

On January 14, 2020, the Company entered into a loan agreement (the "Second January 2020 Loan Agreement") with an individual (the "Second January 2020 Lender"), whereby the Second January 2020 Lender issued the Company a promissory note of $10,000 (the "Second January 2020 Note"). Pursuant to the Second January 2020 Loan Agreement, the Second January 2020 Note has an effective interest rate of 5%. The maturity date of the Second January 2020 Note was January 24, 2020 (the "Second January 2020 Maturity Date"), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the Second January 2020 Note were due. As additional consideration for entering in the Second January Loan Agreement, the Company issued a five-year warrant to purchase 50 shares of the Company's common stock at a purchase price of $18.00 per share. The Company recorded a $580 debt discount relating to 50 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, 2020, the Company repaid $10,000 in principal and $500 in interest.

The Third January 2020 Loan Agreement

On January 22, 2020, the Company entered into a loan agreement (the "Third January 2020 Loan Agreement") with an individual (the "Third January 2020 Lender"), whereby the Third January 2020 Lender issued the Company a promissory note of $15,000 (the "Third January 2020 Note"). Pursuant to the Third January 2020 Loan Agreement, the Third January 2020 Note has an effective interest rate of 10%. The maturity date of the Third January 2020 Note was January 29, 2020 (the "Third January 2020 Maturity Date"), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the Third January 2020 Note were due. As additional consideration for entering in the Third January Loan Agreement, the Company issued a five-year warrant to purchase 75 shares of the Company's common stock at a purchase price of $18.00 per share. The Company recorded a $892 debt discount relating to 75 warrants issued to the Third January 2020 Lender 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, 2020, the Company repaid $15,000 in principal and $1,500 in interest.

The Fourth January 2020 Loan Agreement

On January 23, 2020, the Company entered into a loan agreement (the "Fourth January 2020 Loan Agreement") with an individual (the "Fourth January 2020 Lender") whereby the Fourth January 2020 Lender issued the Company a promissory note of $135,000 (the "Fourth January 2020 Note"). Pursuant to the Fourth January 2020 Loan Agreement, the Fourth January 2020 Note has an effective interest rate of 7%. As additional consideration for entering in the First January 2020 Loan Agreement, the Company issued the Fourth January 2020 Lender 750 shares of the Company's common stock. The maturity date of the Fourth January 2020 Note was February 23, 2020 (the "Fourth January 2020 Maturity Date") at which time all outstanding principal, accrued and unpaid interest and other amounts due under the Fourth January 2020 Note were due.

During the year ended December 31, 2020, the Company converted $135,000 in principal to the Second February 2020 Note (as defined below).

Note 10 — Related Party (cont.)

The January 2020 Rosen Loan Agreement

On January 14, 2020, the Company entered into a loan agreement (the “January 2020 Rosen Loan Agreement”), whereby the Company issued a promissory note in the principal amount of $150,000 (the “January 2020 Rosen Note”). Pursuant to the January 2020 Rosen Loan Agreement, the January 2020 Rosen Note accrues interest at a fixed amount of $2,500 for the duration of the note.

During the year ended December 31, 2020 the Company repaid $150,000 in principal and $15,273 in interest.

The February Banner 2020 Loan Agreement

On February 15, 2020, the Company entered into a loan agreement (the “February 2020 Banner Loan Agreement”), whereby the Company issued a promissory note in the principal amount of $9,900 (the “February 2020 Note”) for expenses paid on behalf of the Company by an employee. Pursuant to the February 2020 Loan Agreement, the February 2020 Note bears interest at a rate of $495. As additional consideration for entering in the February 2020 Loan Agreement, the Company issued a five-year warrant to purchase 49 shares of the Company’s common stock at a purchase price of $18.00 per share.

During the year ended December 31, 2020 the Company repaid $9,900 in principal and $495 in interest.

The February 2020 Frommer Loan Agreement

On February 18, 2020, the Company entered into a loan agreement (the “February 2020 Frommer Loan Agreement”) with Jeremy Frommer, an officer of the Company, whereby the Company issued Frommer a promissory note in the principal amount of $2,989 (the “February 2020 Frommer Note”). As additional consideration for entering in the June 2018 Frommer Note Loan Agreement, the Company issued Frommer a five-year warrant to purchase 15 shares of the Company’s common stock at a purchase price of $18.00 per share. Pursuant to the February 2020 Frommer Loan Agreement, the note is payable on the maturity date of February 28, 2020 (the “February 2020 Frommer Maturity Date”).

During the year ended December 31, 2020 the Company repaid $2,989 in principal and $160 in interest.

The February 2020 Loan Agreement

On February 25, 2020, the Company entered into a loan agreement (the “February 2020 Loan Agreement”) with an individual (the “February 2020 Lender”), whereby the February 2020 Lender issued the Company a promissory note of $15,000 (the “February 2020 Note”). Pursuant to the February 2020 Loan Agreement, the February 2020 Note has an effective interest rate of 5%. The maturity date of the February 2020 Note was March 3, 2020 (the “February 2020 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the February 2020 Note were due. As additional consideration for entering in the February 2020 Loan Agreement, the Company issued a five-year warrant to purchase 75 shares of the Company’s common stock at a purchase price of $18.00 per share. The Company recorded a $801 debt discount relating to 75 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, 2020, the Company repaid $15,000 in principal and $750 in interest.

The July 2020 Loan Agreement

On July 30, 2020, the Company entered into a loan agreement (the “July 2020 Loan Agreement”) with an individual (the “July 2020 Lender”), whereby the July 2020 Lender issued the Company a promissory note of $5,000 (the “July 2020 Note”). Pursuant to the July 2020 Loan Agreement, the July 2020 Note has an effective interest rate of 5%. The maturity date of the July 2020 Note was August 06, 2020 (the “July 2020 Maturity Date”), at which time all outstanding principal, accrued and unpaid interest and other amounts due under the July 2020 Note were due. As

Note 10 — Related Party (cont.)

additional consideration for entering in the July 2020 Loan Agreement, the Company issued a five-year warrant to purchase 25 shares of the Company's common stock at a purchase price of $18.00 per share. The Company recorded a $316 debt discount relating to 25 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, 2020, the Company repaid $5,000 in principal and $250 in interest.

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. See note 10.

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. See note 10.

On September 15, 2021 the make-whole provision was triggered, causing an increase in principal of the September 2020 Rosen Note by $185,279.

Note 10 — Related Party (cont.)

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.

Demand loan

During the year ended December 31, 2020 the Company repaid $75,000 of principal.

On December 17, 2019, Standish made non-interest bearing loans of $150,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, 2020 the Company repaid $150,000 of principal.

On March 27, 2020, a lender made non-interest bearing loans of $100,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, 2020, the Company converted $100,000 of principal and $6,707 of unpaid interest into the September 2020 Equity Raise.

On April 9, 2020, a lender made non-interest bearing loans of $50,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, 2020, the Company converted $50,000 of principal into the September 2020 Equity Raise.

On April 21, 2020, a lender made non-interest bearing loans of $100,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, 2020, the Company converted $100,000 of principal and $6,707 of unpaid interest into the September 2020 Equity Raise.

On July 6, 2020, a lender made non-interest bearing loans of $100,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, the Company converted $100,000 of principal and $6,707 of unpaid interest into the September 2020 Equity Raise.

On August 10, 2020, a lender made non-interest bearing loans of $40,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, 2020 the Company repaid $40,000 of principal.

On September 9, 2020, a lender made non-interest bearing loans of $50,000 to the Company in the form of cash. The loan is due on demand and unsecured.

During the year ended December 31, 2020 the Company repaid $50,000 of principal.

Officer compensation

During the year ended December 31, 2021 and 2020, the Company paid $138,713 and $57,455, respectively for living expenses for officers of the Company.

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.

Note 11 — Derivative Liabilities

The Company has identified derivative instruments arising from a make-whole feature in the Company's notes payable during the year ended December 31, 2021. For the terms of the make-whole features see the September 2020 Rosen Loan Agreement and the September 2020 Goldberg Loan Agreement in Note 10. The Company has also 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, 2021. For the terms of the conversion features see Note 10. The Company had no derivative assets or liabilities measured at fair value on a recurring basis as of December 31, 2021.

The Company utilizes a Monte Carlo simulation model for the make whole feature and 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 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 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 year ended December 31, 2021 and 2020.

	Years Ended December 31, 2021 and 2020		
	Level 1	**Level 2**	**Level 3**
Derivative liabilities as January 1, 2020	$ —	$ —	$ —
Addition	—	—	3,061,688
Changes in fair value	—	—	(3,019,457)
Derivative liabilities as January 1, 2021	—	—	42,231
Addition	—	—	417,241
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	$ —	$ —	$ —

Note 12 — Stockholders' Equity

Shares Authorized

Prior to July 13, 2020, the Company was authorized to issue up to thirty-five million (35,000,000) shares of capital stock, of which fifteen million (15,000,000) shares are designated as common stock, par value $0.001 per share, and twenty million (20,000,000) are designated as "blank check" preferred stock, par value $0.001 per share. The designations, rights, and preferences of such preferred stock are to be determined by the Company's board of directors.

Note 12 — Stockholders' Equity (cont.)

On July 13, 2020, the Company filed the Second Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada, which authorize the issuance of 100,000,000 shares of common stock, and 20,000,000 shares of preferred stock.

On August 17, 2020, following board of director's approval, the Company filed a Certificate of Change to its Articles of Incorporation (the "Amendment"), with the Secretary of State of the State of Nevada to effectuate a one-for-twenty (1:3) reverse stock split (the "Reverse Stock Split") of its common stock, par value $0.001 per share, without any change to its par value. The Amendment became effective on August 17, 2020. No fractional shares were issued in connection with the Reverse Stock Split as all fractional shares were "rounded up" to the next whole share. As a result, all share information in the accompanying consolidated financial statements has been adjusted as if the reverse stock split happened on the earliest date presented.

Preferred Stock

Series E Convertible Preferred Stock

On December 29, 2020, the Company entered into securities purchase agreements with thirty-three accredited investors whereby the Investors have agreed to purchase from the Company an aggregate of 7,778 shares of the Company's Series E Convertible Preferred Stock, par value $0.001 per share and 2,831,715 warrants to purchase shares of the Company's common stock, par value $0.001 per share. The Series E Preferred Stock is convertible into a total of 1,887,810 shares of Common Stock. The combined purchase price of one Conversion Share and one and a half warrant was $4.12. The aggregate purchase price for the Series E Preferred Stock and warrants was $7,777,777. The Company has recorded $817,353 to stock issuance costs, which are part of Additional Paid-in Capital.

The warrants are exercisable for a term of five-years from the date of issuance, at an exercise price of $4.50 per share. The warrants provide for cashless exercise to the extent that there is no registration statement available for the underlying shares of Common Stock.

The placement agent for the transaction and received cash compensation equal to 10% of the aggregate purchase price and warrants to purchase 471,953 shares of the Company's common stock, at an exercise price of $5.15 per share (the "PA Warrants"). The PA Warrants are exercisable for a term of five-years from the date of issuance.

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.

Common Stock

On January 30, 2020, the Company issued 50,000 shares of its restricted common stock to consultants in exchange for three months of services at a fair value of $585,000. 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 year ended December 31, 2020 the Company recorded $585,000 to share based payments.

On January 6, 2020, the Company issued 1,412 shares of its restricted common stock to settle outstanding vendor liabilities of $12,500. In connection with this transaction the Company also recorded a loss on settlement of vendor liabilities of $4,233.

On March 5, 2020, the Company issued 2,153 shares of its restricted common stock to settle outstanding vendor liabilities of $25,000. In connection with this transaction, the Company also recorded a gain on settlement of vendor liabilities of $1,098.

Note 12 — Stockholders' Equity (cont.)

On March 13, 2020 the Company entered into an exchange agreement with a warrant holder. The company agreed to exchange 5,833 warrants for 5,000 shares of the company common stock. In connection with this agreement the company recorded a loss on conversion of warrants to stock of $5,772.

On March 19, 2020, the Company issued 20,000 shares of its restricted common stock to settle outstanding vendor liabilities of $72,048. In connection with this transaction the Company also recorded a gain on settlement of vendor liabilities of $122,953.

On June 18, 2020, the Company issued 50,000 shares of its restricted common stock to consultants in exchange for services at a fair value of $525,000.

On June 29, 2020 the Company entered into an exchange agreement with a warrant holder. The company agreed to exchange 5,833 warrants for 2,239 shares of the company common stock and $10,000.

On July 3, 2020, the Company issued 15,000 shares of its restricted common stock to consultants in exchange for services at a fair value of $204,300.

On July 17, 2020 the Company issued 6,667 shares of its restricted common stock to the Second February 2020 Lender in connection with the Second July 2020 convertible Loan Agreement.

On August 15, 2020, the Company issued 6,167 shares of its restricted common stock to consultants in exchange for services at a fair value of $50,693.

On August 21, 2020, the Company issued 20,000 shares of its restricted common stock to consultants in exchange for services at a fair value of $180,000.

On August 31, 2020, the Company issued 1,866 shares of its restricted common stock to consultants in exchange for services at a fair value of $15,842.

On September 11, 2020 the Second February 2020 Lender converted $125,000 of the outstanding principal into 34,722 shares of the Company's common stock.

On September 11, 2020 the February 2019 Convertible Note Lender converted $70,542 of the outstanding principal and $112,888 of the outstanding interest into 64,124 shares of the Company's common stock.

Lender's Exchange Agreement

On September 15, 2020, the Company exchanged $7,325,000 of principal and $967,518 of accrued but unpaid interest of the Company's debt obligations for $500,000 cash, 2,744,288 shares of Common Stock, and 331,456 warrants (the "Lender's Exchange Agreement"). The Company also issued the lenders notes totaling $20,000. See note 9 for the September 2020 Goldberg Loan and the September 2020 Rosen Loan. The warrants have an exercise price equal to $4.50 per share, expiring five years from the date of issuance. Since the terms of the original debt were exchanged this was accounted for under extinguishment accounting. The Company determined this debt exchange was a debt extinguishment and the Company recognized a loss on debt extinguishment of $4,915,327, including the derivative liability value.

September 2020 Equity Raise

Effective September 15, 2020, the Company consummated an underwritten public offering (the "September 2020 Equity Raise") of 1,725,000 units of securities (the "Units"), with each Unit consisting of (i) one share of common stock, and (ii) one warrant to purchase one share of common stock (the "Warrants"). The September 2020 Equity Raise was conducted pursuant to an Underwriting Agreement, dated September 10, 2020, by and between the Company and The Benchmark Company, LLC, acting as the representative (the "Representative") of the several underwriters

Note 12 — Stockholders' Equity (cont.)

named therein (the "Underwriting Agreement"). In connection with the September 2020 Equity Raise, the Company granted the underwriters a 45-day option to purchase up to 258,750 shares of common stock and/or 258,750 Warrants to purchase common stock to cover over-allotments, if any.

The public offering price per Unit was $4.50. The shares of common stock and Warrants were issued separately and were immediately separable upon issuance. Each Warrant represents the right to purchase one share of common stock at an exercise price of $4.50 per share, expiring 5 years from the date of issuance.

The gross proceeds to the Company from the September 2020 Equity Raise, before deducting underwriting discounts and commissions and other estimated offering expenses, and excluding the exercise of any Warrants, was approximately $7,762,500.

In connection with the September 2020 Equity Raise, the Company converted $3,183,667 of principal and accrued but unpaid interest of the Company's debt obligations into 768,204 shares of Common Stock and $570,416 warrants. See Notes 7, 8, and 9. The warrants have an exercise price equal to $4.50 per share, expiring five years from the date of issuance. A down-round event was triggered in connection with the September 2020 Equity Raise, resulting in a contingent BCF that had a value of $3,051,810. As these notes were fully converted in the September 2020 Equity Raise, the discount was expensed to accretion of debt discount and issuance cost on the Consolidated Statements of Comprehensive Loss.

On September 30, 2020, the Company issued 7,979 shares of its restricted common stock to consultants in exchange for services at a fair value of $21,304.

On December 14, 2020, the Company issued 10,417 shares of its restricted common stock to consultants in exchange for services at a fair value of $38,647.

On December 21, 2020, the Company issued 8,371 shares of its restricted common stock to employees in exchange for services at a fair value of $31,323.

During the year ended December 31, 2020 the Company cancelled 50,650 shares of treasury 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 and 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.

Note 12 — Stockholders' Equity (cont.)

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.

Note 12 — Stockholders' Equity (cont.)

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.

Stock Options

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

The assumptions used for options granted during the years December 31, 2021 and 2020, are as follows:

	December 31, 2021	December 31, 2020
Exercise price	$2.09 – 4.89	$8.55
Expected dividends	0%	0%
Expected volatility	169.78 – 242.98%	229.95%
Risk free interest rate	0.46 – 1.26%	0.25%
Expected life of option	5 – 7 years	5.67 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, 2020 – outstanding	303,825	24.48	2.51
Granted	391,853	8.55	5.67
Exercised	—	—	—
Cancelled/Modified	(154,657)	25.17	—
Balance – December 31, 2020 – outstanding	541,021	12.75	4.29
Balance – December 31, 2020 – exercisable	149,168	23.77	1.75
Balance – December 31, 2020 – 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
Balance – December 31, 2021 – exercisable	1,165,191	9.01	4.12

Note 12 — Stockholders' Equity (cont.)

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)
$ 7.07	2,902,619	4.71	9.01	1,165,191	4.12

During the year ended December 31, 2018 the Company granted options of 11,667 to consultants that has a fair value of $57,123. As of the date of this filing the company has not issued these options and they are recorded as an accrued liability on the Consolidated Balance Sheet.

On May 7, 2020, the board of directors approved the Jerrick Media Holdings, Inc. 2020 Omnibus Equity Incentive Plan (the "Plan"). Only employees, non-employee directors and consultants are eligible for awards under the Plan. The Plan provides for awards in the form of options (incentive stock options or nonstatutory stock options) restricted stock grants, and restricted stock unit grants. Up to 2,500,000 shares of common stock may be issued under the Plan and the option exercise price of stock options granted under the Plan shall not be less than 100% of the Fair Market Value (as defined in the Plan) (110% for 10% shareholders in the case of ISOs) of a share of common stock on the date of the grant. The option exercise price may be payable in cash, surrender of stock, cashless exercise or net exercise. Each grant awarded under the Plan shall be evidenced by a grant agreement and may or may not be subject to vesting. The Plan is subject to the approval of the Company's stockholders within one year of the date of adoption by the Board of Directors. On July 8, 2020, the Company's stockholders approved the Plan, which terminates on May 7, 2030. The Board of Directors may amend or terminate the Plan at any time and for any reason. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules.

On May 13, 2020 the Company entered into an exchange agreement with eight option holders. The company agreed to exchange 152,992 options previously issued under the 2015 Incentive Stock and Award Plan for 229,491 shares of the Company common stock. In connection with this agreement the Company recorded incremental compensation on the exchange of options to stock of $1,117,031.

Stock-based compensation for stock options has been recorded in the consolidated statements of operations and totaled $7,616,195 and $4,092,013, for the year ended December 31, 2021 and 2020, respectively.

As of December 31, 2021, there was $3,197,018 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 1.23 year.

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, 2021 are as follows:

	December 31, 2021	December 31, 2020
Exercise price	$4.50 – 5.40	$4.50 – 18.00
Expected dividends	0%	0%
Expected volatility	232.10% – 237.14%	234.03% – 247%
Risk free interest rate	0.82% – 0.89%	0.21% – 1.63%
Expected life of warrant	5 – 5.5 years	5 years

Note 12 — Stockholders' Equity (cont.)

Warrant Activities

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

	Warrant	Weighted Average Exercise Price
Balance – January 1, 2020 – outstanding	247,403	15.75
Granted	5,921,071	4.70
Exercised	—	—
Cancelled/Modified	(37,526)	13.31
Balance – December 31, 2020 – outstanding	6,130,948	4.96
Balance – December 31, 2020 – exercisable	3,228,235	5.37
Balance – December 31, 2020 – 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
Balance – December 31, 2021 – exercisable	5,616,330	$ 4.97

Warrants Outstanding			Warrants Exercisable		
Exercise price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 4.98	5,658,830	3.80	4.97	5,616,330	3.79

On October 6, 2020, the underwriters for the September 2020 Equity Raise partially exercised the over-allotment option and on October 8, 2020, purchased an additional 258,750 warrants, generating gross proceeds, before deducting underwriting discounts and commissions, of $2,588.

During the year ended December 31, 2020 a total of 214,080 warrants were issued with convertible notes (See Note 8 above). The warrants have a grant date fair value of $1,520,449 using a Black-Scholes option-pricing model and the above assumptions.

During the year ended December 31, 2020, a total of 289 warrants were issued with notes payable — related party (See Note 9 above). The warrants have a grant date fair value of $3,342 using a Black-Scholes option-pricing model and the above assumptions.

During the year ended December 31, 2020, a total of 3,922 warrants were issued with convertible notes payable — related party (See Note 9 above). The warrants have a grant date fair value of $37,927 using a Black-Scholes option-pricing model and the above assumptions.

During the year ended December 31, 2020, some of the Company's warrants had a down-round provision triggered that resulted in a lower exercise price. A deemed dividend of $18,421 was recorded to the Statements of Comprehensive Loss.

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.

Note 12 — Stockholders' Equity (cont.)

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 (See Note 9 above). 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.

Share-based awards, restricted stock award ("RSAs")

On February 4, 2021, the Board resolved that, the Company shall pay each member of the Board, for each calendar quarter during which such member continues to serve on the Board, compensation as a group amounts to $62,500 per quarter. The shares vest one year after issuance.

A summary of the activity related to RSUs for the year ended December 31, 2021 is presented below:

Restricted stock units (RSUs)	**Total shares**	**Grant date fair value**
RSAs non-vested at January 1, 2021	—	$ —
RSAs granted	112,010	$ 2.71 – 4.32
RSAs vested	—	$ —
RSAs forfeited	(13,927)	$ 3.75 – 4.32
RSAs non-vested December 31, 2021	98,083	$ 2.71 – 4.32

Stock-based compensation for RSA's has been recorded in the consolidated statements of operations and totaled $391,035 for the year ended December 31, 2021.

Note 13 — Commitments and Contingencies

The CARES Act lifts certain deduction limitations originally imposed by the Tax Cuts and Jobs Act of 2017 ("2017 Tax Act"). Corporate taxpayers may carry back net operating losses (NOLs) originating between 2018 and 2020 for up to five years, which was not previously allowed under the 2017 Tax Act. The CARES Act also eliminates the 80% of taxable income limitations by allowing corporate entities to fully utilize NOL carryforwards to offset taxable income in 2018, 2019 or 2020. Taxpayers may generally deduct interest up to the sum of 50% of adjusted taxable income plus business interest income (30% limit under the 2017 Tax Act) for 2019 and 2020. The CARES Act allows taxpayers with alternative minimum tax credits to claim a refund in 2020 for the entire amount of the credits instead of recovering the credits through refunds over a period of years, as originally enacted by the 2017 Tax Act.

In addition, the CARES Act raises the corporate charitable deduction limit to 25% of taxable income and makes qualified improvement property generally eligible for 15-year cost-recovery and 100% bonus depreciation. The enactment of the CARES Act did not result in any material adjustments to our income tax provision for the year ended December 31, 2020.

On March 26, 2020 and April 30, 2020, the Company received 2 separate loans pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act.

Note 13 — Commitments and Contingencies (cont.)

When the applications for PPP first opened up, there was limited available funding and much confusion surrounding the application process. The Company initially submitted its application for the May 2020 PPP Loan in early April but received no response in the aftermath of submitting the application. After consulting multiple advisors, the Company made the decision to apply elsewhere, due to the rampant media coverage of institutions running out of funding and the Company's need for the capital and belief that if 2 separate loans were approved, the remaining application could simply be withdrawn.

Therefore, in late April, the company proceeded with applying for the April 2020 PPP Loan. After some conflicting communications regarding acceptance, the Company attempted to contact the lender to clarify but got no response. After continued attempts to follow up with both lenders, the Company received approval for the May 2020 PPP Loan and funding for the April 2020 PPP Loan on the same day, followed the next day by the funding of the May 2020 PPP Loan. The Company immediately separated the funds for the April 2020 PPP Loan into a separate reserved bank account with the intention of returning the funds. However, after several attempts to contact the lender with no response, the Company was faced with difficulty raising funds in the early-Covid economy and made the decision to utilize the funds for operations and pursue an installment repayment plan when they were able to reach the lender. As of the date of this filing, the Company has begun making repayments on the loan, absent a formal installment agreement due to difficulties reaching the lender. The Company intends to complete repayment before the end of 2021.

As each company is only permitted one loan under the CARES Act, there is a possibility the loan may be called by the SBA and the Company would have to repay the loan in full at such time.

As of December 31, 2021, the May 2020 PPP Loan is no longer outstanding, as 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. As of December 31, 2021 there was $198,655 in principal outstanding on the April 2020 PPP Loan.

Litigation

On or about June 25, 2020, Home Revolution, LLC ("Home Revolution") filed a lawsuit in the United States District Court for the District of New Jersey, Home Revolution, LLC, et al. v. Jerrick Media Holdings, Inc. et al., Case No. 2:20-cv-07775-JMV-MF. The Complaint alleges, among other things, that Creatd, Inc. breached the Membership Interest Purchase Agreement, as modified, and ancillary transaction documents in connection with the acquisition of Seller's Choice, LLC, from Home Revolution in September 2019. The Complaint additionally alleges violation of the New Jersey Uniform Securities Law, violations of the Exchange Act and Rule 10b-5 thereunder, fraud, equitable accounting, breach of fiduciary duty, conversion and unjust enrichment. Plaintiff also sought to have a receiver appointed by the Court to take over Creatd's operations. After substantial motion practice, Creatd successfully settled this dispute from June 2020 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 of March 3, 2022.

On or about August 30, 2021, Robert W. Monster and Anonymize, Inc. ("Monster") filed a lawsuit in the United States District Court for the Western District of Washington at Seattle, Robert W. Monster, et al. v. Creatd, Inc., et al. (Western District of Washington at Seattle 2:21-CV-1177). The Complaint alleges, among other things, that action for Declaratory Judgment under 28 U.S.C. § 2201 that Monster's registration and use of the internet domain name VOCL.COM (the "Domain Name") does not violate Creatd's rights under the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d), or otherwise under the Lanham Act, 15 U.S.C. § 1051 et seq. Creatd claims trademark rights and certain other rights with respect to the term and the domain name VOCL.COM. Monster seeks a determination by the Court that Monster's registration and/or use of VOCL.COM is not, and has not been in violation of the ACPA, and that Plaintiffs' use of VOCL.COM constitutes neither a violation of the ACPA nor trademark infringement or dilution under the Lanham Act. Creatd believes the lawsuit lacks merit and will vigorously challenge the action. At this time, we are unable to estimate potential damage exposure, if any, related to the litigation.

Note 13 — Commitments and Contingencies (cont.)

Lease Agreements

On May 5, 2018, the Company signed a 5-year lease for approximately 2,300 square feet of office space at 2050 Center Avenue Suite 640, Fort Lee, New Jersey 07024. Commencement date of the lease is June 1, 2018. The total amount due under this lease is $411,150.

On April 1, 2019, the Company signed a 4-year lease for approximately 796 square feet of office space at 2050 Center Avenue Suite 660, Fort Lee, New Jersey 07024. Commencement date of the lease is April 1, 2019. The total amount due under this lease is $108,229.

On July 28, 2021, the Company signed a 3-year lease for approximately 1,364 square feet of office space at 1674 Meridian Avenue, Miami Beach, Florida 33139. The office space is currently under construction and the Company's commencement date was April 1, 2022. The total amount due under this lease is $181,300.

On February 16, 2022, the company entered into a termination agreement whereas CRTD agrees to pay $115,000 and forfeit the security deposit of $16,836. The lease was terminated as of February 28, 2022 and was determined that the lease agreement was abandoned under ASC 842- 20 -35 -10. The Company updated useful life of the ROU asset and marked the ROU asset and lease liability its single lease cost of $18,451.

	Year Ended December 31, 2021
Operating lease cost	$ 202,804
Short term lease cost	14,041
Total net lease cost	$ 216,845

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

	Year Ended December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:	
Operating lease payments	$ 100,100
Weighted average remaining lease term (in years):	0.17
Weighted average discount rate:	0%

Total payments required under the lease as of December 31, 2021, are $18,451 and will recognized in the first quarter of 2022.

Rent expense for the year ended December 31, 2021 and 2020 was $216,845 and $107,737, respectively.

Note 14 — Acquisition

Plant 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

Note 14 — Acquisition (cont.)

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		475,000
Assets acquired:		
Cash		5,232
Accounts Receivable		7,645
Inventory		19,970
Total assets acquired		32,847
Liabilities assumed:		
Accounts payable and accrued expenses		5,309
Deferred Revenue		671
Total liabilities assumed		5,980
Net assets acquired		26,867
Non-controlling interest in consolidated subsidiary		56,865
Excess purchase price	$	504,998

The excess purchase price amounts are provisional and may be adjusted during the one-year measurement period as required by U.S. GAAP. The following table provides a summary of the preliminary 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		30,000
Excess purchase price	$	504,998

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 as if the entities were combined on January 1, 2020.

		Year Ended December 31, 2021
Revenues	$	4,335,593
Net loss attributable to common shareholders	$	(37,822,820)
Net loss per share	$	(2.99)
Weighted average number of shares outstanding		12,652,470

Note 14 — Acquisition (cont.)

	Year Ended December 31, 2020
Revenues	$ 1,213,430
Net loss attributable to common shareholders	$ (27,476,400)
Net loss per share	$ (5.71)
Weighted average number of shares outstanding	4,812,153

<u>*WHE Agency, Inc.*</u>

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	1,038,271
Assets acquired:	
Cash	26,575
Accounts Receivable	446,272
Total assets acquired	472,847
Liabilities assumed:	
Accounts payable and accrued expenses	353,017
Total liabilities assumed	353,017
Net assets acquired	119,830
Non-controlling interest in consolidated subsidiary	1,190,000
Excess purchase price	$ 2,108,442

The excess purchase price amounts were recorded to goodwill and is provisional and may be adjusted during the one-year measurement period as required by U.S. GAAP. The following table provides a summary of the preliminary 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	$ 2,108,442

Note 14 — Acquisition (cont.)

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 WHE as if the entities were combined on January 1, 2020.

	Year Ended December 31, 2021
Revenues	$ 4,916,777
Net loss attributable to common shareholders	$ (37,707,250)
Net loss per share	$ (2.98)
Weighted average number of shares outstanding	12,652,470

	Year Ended December 31, 2020
Revenues	$ 1,685,336
Net loss attributable to common shareholders	$ (27,235,057)
Net loss per share	$ (5.66)
Weighted average number of shares outstanding	4,812,153

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.

Note 14 — Acquisition (cont.)

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		732,363
Assets acquired:		
Cash		186,995
Inventory		47,250
Total assets acquired		234,246
Liabilities assumed:		
Accounts payable		40,000
Total liabilities assumed		40,000
Net assets acquired		194,246
Non-controlling interest in consolidated subsidiary		720,581
Excess purchase price	$	1,258,698

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 excess purchase price amounts are provisional and may be adjusted during the one-year measurement period as required by U.S. GAAP. The following table provides a summary of the preliminary allocation of the excess purchase price.

Goodwill	$	17,941
Trade Names & Trademarks		249,248
Know-How and Intellectual Property		788,870
Website		127,864
Customer Relationships		74,774
Excess purchase price	$	1,258,698

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 Dune as if the entities were combined on January 1, 2020.

		Year Ended December 31, 2021
Revenues	$	4,299,717
Net loss attributable to common shareholders	$	(38,265,301)
Net loss per share	$	(3.02)
Weighted average number of shares outstanding		12,652,470

Note 14 — Acquisition (cont.)

	Year Ended December 31, 2020
Revenues	$ 1,212,870
Net loss attributable to common shareholders	$ (27,382,216)
Net loss per share	$ (5.69)
Weighted average number of shares outstanding	4,812,153

Note 15 — 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, 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

Note 15 — Segment Information (cont.)

	As of December 31, 2020			
	Creatd Labs	**Creatd Partners**	**Corporate**	**Total**
Accounts receivable, net	$ 3,800	$ 86,555	$ —	$ 90,355
Prepaid expenses and other current assets	19,631	—	4,225	23,856
Intangible assets	—	960,611	—	960,611
Goodwill	—	1,035,795	—	1,035,795
All other assets	—	—	8,673,863	8,673,863
Total Assets	$ 23,431	$ 2,082,961	$ 8,678,088	$ 10,784,480
Accounts payable and accrued liabilities	$ 6,221	$ 83,964	$ 2,548,503	$ 2,638,688
Note payable, net of debt discount and issuance costs	55,928	—	1,165,611	1,221,539
Deferred revenue	—	88,637	—	88,637
All other Liabilities	—	—	1,390,420	1,390,420
Total Liabilities	$ 62,149	$ 172,601	$ 5,104,534	$ 5,339,284

	For the year ended December 31, 2021				
	Creatd Labs	**Creatd Ventures**	**Creatd Partners**	**Corporate**	**Total**
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 15 — Segment Information (cont.)

	For the year ended December 31, 2020			
	Creatd Labs	Creatd Partners	Corporate	Total
Net revenue	$ 375,043	$ 837,827	$ —	$ 1,212,870
Cost of revenue	652,259	842,783	—	1,495,042
Gross margin	(277,216)	(4,956)	—	(282,172)
Research and development	227,656	29,775	—	257,431
Marketing	2,426,668	285,490	142,745	2,854,904
Stock based compensation	1,226,495	1,338,678	4,295,990	6,861,163
General and administrative not including depreciation, amortization, or Impairment	2,301,088	939,792	2,592,581	5,858,454
Depreciation and amortization	—	132,768	24,993	157,761
Impairment of intangibles	—	—	11,450	11,450
Total operating expenses	$ 6,181,907	$ 2,726,504	$ 7,067,759	$ 16,001,163
Interest expense	(15,828)	—	(356,278)	(372,106)
All other expenses	—	—	(7,557,342)	(7,557,342)
Other expenses, net	(15,828)	—	(7,913,620)	(7,929,448)
Loss before income tax provision and equity in net loss from unconsolidated investments	$ (6,474,951)	$ (2,731,460)	$ (14,981,379)	$ (24,212,783)

During the year ended December 31, 2021, Creatd Partners acquired assets from the Purchase of WHE. See note 14 for a list of assets acquired.

During the year ended December 31, 2021, Creatd Ventures acquired assets from the Purchase of Dune and Plant Camp. See note 14 for a list of assets acquired.

Note 16 — Income Taxes

Components of deferred tax assets are as follows:

	December 31, 2021	December 31, 2020
Net deferred tax assets – Non-current:		
Depreciation	$ (70,194)	$ (145,749)
Amortization	95,115	21,096
Stock based compensation	4,369,372	1,653,617
Expected income tax benefit from NOL carry-forwards	15,073,606	8,780,233
Less valuation allowance	(19,467,900)	(10,309,197)
Deferred tax assets, net of valuation allowance	$ —	$ —

Note 16 — Income Taxes (cont.)

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, 2021	For the Year Ended December 31, 2020
Federal statutory income tax rate	21.0%	21.0%
State tax rate, net of federal benefit	7.1%	6.5%
Change in valuation allowance on net operating loss carry-forwards	(28.1)%	(27.5)%
Effective income tax rate	0.0%	0.0%

The following is a reconciliation of the beginning and ending amount of the unrecognized tax benefit for the years ended December 31, 2021 and 2020:

	2021	2020
Balance at January 1,	$ —	$ 68,000
Additions based on tax positions relating to the current year	—	—
Reductions for tax positions of prior years	—	(68,000)
Balance at December 31,	$ —	$ —

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, 2021 and 2020. Accordingly, management had applied a full valuation allowance against net deferred tax assets as of December 31, 2021 and 2020.

As of December 31, 2021, the Company had approximately $54 million of federal net operating loss carryforwards available to reduce future taxable income which will begin to expire in 2034 for both federal and state purposes.

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

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

Note 16 — Income Taxes (cont.)

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 17 — Subsequent Events

Board of Directors and Management

<u>Appointment of New Directors</u>

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.

<u>Departure of Directors</u>

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.

<u>Management Restructuring</u>

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.

Securities Purchase Agreement

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.

Note 17 — Subsequent Events (cont.)

Nasdaq Notice of Delisting

On March 1, 2022, the Company received a letter (the "Letter") from the staff of The Nasdaq Capital Market (the "Exchange") notifying the Company that the Exchange has determined to delist the Company's common stock from the Exchange based on the Company's Market Value of Listed Securities for the 30-consecutive day period between January 15, 2022 and February 25, 2022 falling short of the requirements under Listing Rule 5550(b)(2) (the "Rule"). Although a 180-day period is typically allowed for an issuer to regain compliance, the Company is not eligible to use such compliance period, as the Exchange had instituted a Panel Monitor through March 9, 2022.

The Company is pursuing an appeal to the Panel of such determination, in accordance with the Exchange's rules and, pursuant to such request by the Company to appeal, the delisting of the Company's securities and the Form 25 Notification of Delisting filing will be stayed pending the Panel's decision.

The Company intends to present to the Panel evidence that the Company has regained compliance with the Rule; however, there can be no assurance that the Panel will grant the Company's request for continued listing.

The Letter has no immediate impact on the listing of the Company's common stock or warrants, which will continue to be listed and traded on the Exchange, subject to the Company's compliance with other continued listing requirements. The Company's receipt of the Letter does not affect the Company's business, operations or reporting requirements with the Securities and Exchange Commission.

Registered Direct Offering

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.

Acquisition of 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 totaling $278,163.

Settlement of Home Revolution Litigation

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.

Note Conversions

Subsequent to December 31, 2021, a total of $168,850 in principal of convertible notes converted into 109,435 shares of common stock.

Note 17 — Subsequent Events (cont.)

Promissory Note

Subsequent to December 31, 2021, the Company entered into one promissory note agreement with net proceeds of $300,000 and one promissory note agreement with net proceeds of AUD$224,540.

Consultant Shares

Subsequent to December 31, 2021, the Company issued 183,590 shares of Common Stock to consultants.

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.

The foregoing descriptions of the Executive Employment Agreements do not purport to be complete and are qualified in their entirety by reference to the forms of Amended Executive Employment Agreements, copies of which are filed as Exhibits 10.40, 10.41, 10.42 and 10.43 to this Annual Report on Form 10-K and is incorporated herein by reference.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure and Control Procedures

Based on an evaluation as of the end of the period covered by this Annual Report on Form 10-K, our principal executive and financial officers have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act) are not effective to ensure that information required to be disclosed by us in report that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control over Financial Reporting

This Company's management is responsible for establishing and maintaining internal controls over financial reporting and disclosure controls. Internal Control Over Financial Reporting is a process designed by, or under the supervision of, the Company's principal executive and financial officer, or persons performing similar functions, and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the registrant; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange is appropriately recorded, processed, summarized and reported within the specified time periods.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021, based on the framework established in Internal Control-Integrated Framework-2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

As of period covered by this Annual Report on Form 10-K, we have concluded that our internal control over financial reporting was not effective. The Company's assessment identified certain material weaknesses which are set forth below:

Functional Controls and Segregation of Duties

Because of the Company's limited resources, there are limited controls over information processing.

There is an inadequate segregation of duties consistent with control objectives. Our Company's management is composed of a small number of individuals resulting in a situation where limitations on segregation of duties exist. In order to remedy this situation, we would need to hire additional staff to provide greater segregation of duties.

Accordingly, as the result of identifying the above material weakness we have concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements may not be prevented or detected on a timely basis by the Company's internal controls.

Management believes that the material weaknesses set forth above were the result of the scale of our operations and are intrinsic to our small size and believes these weaknesses did not have a material effect on our financial results. Management continues to take actions to remedy these weaknesses, including the process of hiring additional staff to create the necessary segregation of duties to improve controls over information processing. Additionally, management has initiated the process of building a risk management framework with plans to embed the principles of this framework across all aspects of the business.

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report herein.

(c) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected our internal control over financial reporting. However, during fourth quarter 2020 the Company requisitioned a complete review of all of its financial procedures and controls and is in the process of updating and optimizing its infrastructure around these controls and believes that this process can positively affect our internal control over financial reporting in the future.

ITEM 9B. OTHER INFORMATION

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.

The foregoing descriptions of the Executive Employment Agreements do not purport to be complete and are qualified in their entirety by reference to the forms of Amended Executive Employment Agreements, copies of which are filed as Exhibits 10.40, 10.41, 10.42 and 10.43 to this Annual Report on Form 10-K and is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table and biographical summaries set forth information, including principal occupation and business experience, about our directors and executive officers as of the date of this Form 10-K:

Name	Age	Positions
Laurie Weisberg	53	Chief Executive Officer, Director
Jeremy Frommer	53	Executive Chairman of the Board of Directors
Joanna Bloor	52	Director
Brad Justus	61	Director
Lorraine Hendrickson	56	Director
Justin Maury	33	Chief Operating Officer & President
Chelsea Pullano	31	Chief Financial Officer

Laurie Weisberg — *Chief Executive Officer and Director*

Ms. Weisberg was elected to our board of directors in July 2020 and has been our Chief Executive Officer since 2022. Previously, she held the position of Co-Chief Executive Officer from August 2021 to February 2022, and Chief Operating Officer from September 2020 to August 2021. Weisberg, who has served as the Chief Sales Officer at Intent since February 2019, has spent over 25 years at the forefront of sales and marketing innovation in the technology space, having held leadership positions at various technology companies including Thrive Global, Curalate, and Oracle Data Cloud. From October 2010 to April 2015, Ms. Weisberg was a member of the executive leadership team at Datalogix, leading up to its acquisition by Oracle in 2015, at which point she assumed the role of VP of Oracle Data Cloud. Additionally, Ms. Weisberg has served on the Advisory Board at Crowdsmart, an intelligent data-driven investment prediction platform since April 2019. Ms. Weisberg was born and educated in England. We believe Ms. Weisberg is qualified to serve on our board of directors due to her extensive global sales and brand marketing expertise as well as her leadership experience working within the technology space.

Jeremy Frommer — *Executive Chairman and Co-Founder*

Mr. Frommer was appointed Executive Chairman in February 2022 and has been a member of our board of directors since February 2016. Previously, he served as our Chief Executive Officer from February 2016 to August 2021, and Co-Chief Executive Officer from August 2021 to February 2022. Mr. Frommer has over 20 years of experience in the financial technology industry. Previously, Mr. Frommer held key leadership roles in the investment banking and trading divisions of large financial institutions. From 2009 to 2012, Mr. Frommer was briefly retired until beginning concept formation for Jerrick Ventures which he officially founded in 2013. From 2007 to 2009, Mr. Frommer was Managing Director of Global Prime Services at RBC Capital Markets, the investment banking arm of the Royal Bank of Canada, the largest financial institution in Canada, after the sale of Carlin Financial Group, a professional trading firm. From 2004 to 2007, Mr. Frommer was the Chief Executive Officer of Carlin Financial Group after the sale of NextGen Trading, a software development company focused on building equity trading platforms. From 2002 to 2004, Mr. Frommer was Founder and Chief Executive Officer of NextGen Trading. From 2000 to 2002, he was Managing Director of Merger Arbitrage Trading at Bank of America, a financial services firm. Mr. Frommer was also a director of LionEye Capital, a hedge fund from June 2012 to June 2014. He holds a B.A. from the University of Albany. We believe Mr. Frommer is qualified to serve on our board of directors due to his financial and leadership experience.

Joanna Bloor — *Director*

Ms. Bloor, age 52, Founder and CEO of The Amplify Lab, combines over 7 years of experience in Technology senior management following a 15-year career as a Senior Executive in Operations and Marketing. Previously, she had been involved in three companies in the Technology and Media industry, holding positions including VP of Sales Operations, AVP of Sales Operations and Director of Sales Operations, and board member. From 2010 through 2015, she held the position of VP of Sales Operations at Pandora, a technology and entertainment company. From 2000 to 2010, Ms. Bloor was the AVP of Sales Operations for CBS Interactive, Inc., a Digital Media and News organization. From 2000 to 2001, she was the Director of Sales Operations for OpenTable.com, an online restaurant reservation company. Joanna is also currently the Founder and CEO of The Amplify Lab., a career coaching company rooted in technology, data, and human experiences. We believe Joanna will be invaluable assisting Creatd shape and implement company culture transformation, overall operations, and human capital management. She has also had specific and deep experience in scaling revenue and implementing teams for numerous public and private companies, including leading technology companies and consumer brands that generate multi-million to hundreds of millions in annual revenue.

Brad Justus — *Director*

Mr. Justus, age 61, most recently Director of International Publishing at Riot Games, combines over 13 years of executive management experience in the game development and publishing industries with more than 10 years in multiple C-Suite officer roles. Previously, he had been involved in 3 companies in the technology and gaming industry, holding positions including Vice President of Marketing and Brand Experience, Chief Marketing Officer, Chief Executive Officer, and Senior Vice President. From 2015 to 2016, he served as Chief Experience Officer at Radiant Entertainment, a gaming company that was acquired by Riot Games in 2016. From 2012 to 2014, Mr. Justus was VP of Marketing and Brand Experience at ROBLOX Corporation, a digital community, and gaming company. From 2009 to 2012, he was Chief Marketing Officer at ClearStreet, Inc., a fintech startup company. From 2006 through 2007, Mr. Justus was the Senior Vice President for Art.com, an online art marketplace. From 2004 to 2005, he was President and CEO for Informative, Inc., an online technology survey company. Previously, he was Senior Vice President at LEGO, an industry-leading toy company from 1999 to 2004. Since 2016 Mr. Justus held titles including Director, Brand Marketing and Director, International Publishing at Riot Games, a video game company where he also led the creator-driven global launch of the blockbuster game VALORANT in 2020. Mr. Justus holds a Bachelor of Arts *cum laude* in Political Science from Amherst College. We believe Mr. Justus will be a strong addition to Creatd's board of directors because of his experience leading branding, marketing, and product development teams at numerous direct to consumer companies. Many of these companies are tech- and community-focused, just like Creatd. He will also advise on overall online strategy and revenue growth.

Lorraine Hendrickson — *Director*

Lorraine Hendrickson, age 56, combines over 20 years of experience in the investment banking industry, having held numerous senior management and executive positions including Chief Administration Officer, Vice President of Business Development, Corporate Relations, and Investment Strategy as well as various Director positions. From 2004 to 2006, Ms. Hendrickson served as Vice President Investment Strategy & Corporate Relations at Merrill Lynch Investment Management. From 2006 to 2011, Ms. Hendrickson was Director at BNY Mellon. An investment management firm. From 2011 to 2012, she moved to Hong Kong with BNY Mellon to become their Chief Administration Officer, Global Distribution. From 20014 to 2015, Ms. Hendrickson moved to become a Director, within the Investment Management Advisory division of Deloitte UK, the leading London-based international consulting firm. She was subsequently recruited by a client and, from 2015-2018, served as the Program Director of London CIV (Collective Investment Vehicle), the City of London's first alternative asset management company owned and operated by the local government. She holds a Bachelor of Science in Finance from Rider University. We believe Ms. Hendrickson will add considerable value, including through her comprehensive and diverse investment management experience, deep knowledge of governance and regulatory frameworks, and broad experience with business development, operations, and executive leadership.

Justin Maury — *Chief Operating Officer and Co-Founder*

Mr. Maury has served as our President since January 2019, and was appointed Chief Operating Officer in August 2021. He is a full stack design director with an expertise in product development. With over ten years of design and product management experience in the creative industry, Mr. Maury's passion for the creative arts and technology ultimately resulted in the vision for Vocal. Since joining Creatd in 2013, Maury has overseen the development and launch of the company's flagship product, Vocal, an innovative platform that provides storytelling tools and engaged communities for creators and brands to get discovered while funding their creativity. Under Maury's supervision, Vocal has achieved growth to over 380,000 creators across 34 genre-specific communities in its first two years since launch.

Chelsea Pullano — *Chief Financial Officer*

Ms. Pullano has been our Chief Financial Officer since June 2020. She has a long history of leadership at Creatd, serving as a member of the Company's Management Committee for four years. Prior to her current role, Ms. Pullano was an integral member of our finance department since 2017, most recently serving as our Head of Corporate

Finance, a role in which she coordinated our periodic reports under the Exchange Act and other financial matters. Prior to joining the Finance Department, Ms. Pullano was a member of our operations team from 2015 to 2017. She holds a B.A. from the State University of New York College at Geneseo.

Director Terms; Qualifications

Members of our board of directors serve until the next annual meeting of stockholders, or until their successors have been duly elected.

When considering whether directors and nominees have the experience, qualifications, attributes and skills to enable the board of directors to satisfy its oversight responsibilities effectively in light of the Company's business and structure, the board of directors focuses primarily on the industry and transactional experience, and other background, in addition to any unique skills or attributes associated with a director.

Director or Officer Involvement in Certain Legal Proceedings

There are no material proceedings to which any director or officer, or any associate of any such director or officer, is a party that is adverse to our Company or any of our subsidiaries or has a material interest adverse to our Company or any of our subsidiaries. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. No director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten years.

Directors and Officers Liability Insurance

The Company has directors' and officers' liability insurance insuring its directors and officers against liability for acts or omissions in their capacities as directors or officers, subject to certain exclusions. Such insurance also insures the Company against losses, which it may incur in indemnifying its officers and directors. In addition, officers and directors also have indemnification rights under applicable laws, and the Company's Second Amended and Restated Articles of Incorporation and Amended and Restated Bylaws.

Director Independence

The listing rules of The Nasdaq Stock Market LLC ("Nasdaq") require that independent directors must comprise a majority of a listed company's board of directors. In addition, the rules of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our board of directors has undertaken a review of the independence of our directors and considered whether any director has a material relationship with it that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, the board of directors has determined that Joanna Bloor, Brad Justus and Lorraine Hendrickson are "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of Nasdaq. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of the Company's capital stock by each non-employee director, and any transactions involving them described in the section captioned "— Certain relationships and related transactions and director independence."

Board Committees

The Company's Board has established three standing committees: Audit, Compensation, and Nominating and Corporate Governance. Each of the committees operates pursuant to its charter. The committee charters will be reviewed annually by the Nominating and Corporate Governance Committee. If appropriate, and in consultation with the chairs of the other committees, the Nominating and Corporate Governance Committee may propose revisions to the charters. The responsibilities of each committee are described in more detail below.

Nasdaq permits a phase-in period of up to one year for an issuer registering securities in an initial public offering to meet the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee independence requirements. Under the initial public offering phase-in period, only one member of each committee is required to satisfy the heightened independence requirements at the time our registration statement becomes effective, a majority of the members of each committee must satisfy the heightened independence requirements within 90 days following the effectiveness of our registration statement, and all members of each committee must satisfy the heightened independence requirements within one year from the effectiveness of our registration statement.

Audit Committee

The Audit Committee, among other things, will be responsible for:

- Appointing; approving the compensation of; overseeing the work of; and assessing the independence, qualifications, and performance of the independent auditor;
- Reviewing the internal audit function, including its independence, plans, and budget;
- Approving, in advance, audit and any permissible non-audit services performed by our independent auditor;
- Reviewing our internal controls with the independent auditor, the internal auditor, and management;
- Reviewing the adequacy of our accounting and financial controls as reported by the independent auditor, the internal auditor, and management;
- Overseeing our financial compliance system; and
- Overseeing our major risk exposures regarding the Company's accounting and financial reporting policies, the activities of our internal audit function, and information technology.

The board of directors has affirmatively determined that each member of the Audit Committee meets the additional independence criteria applicable to audit committee members under SEC rules and Nasdaq listing rules. The board of directors has adopted a written charter setting forth the authority and responsibilities of the Audit Committee. The Board has affirmatively determined that each member of the Audit Committee is financially literate, and that Ms. Hendrickson meets the qualifications of an Audit Committee financial expert.

The Audit Committee consists of Ms. Bloor, Mr. Justus and Ms. Hendrickson. Ms. Hendrickson chairs the Audit Committee. We believe that the functioning of the Audit Committee complies with the applicable requirements of the rules and regulations of the Nasdaq listing rules and the SEC.

Compensation Committee

The Compensation Committee will be responsible for:

- Reviewing and making recommendations to the Board with respect to the compensation of our officers and directors, including the CEO;
- Overseeing and administering the Company's executive compensation plans, including equity-based awards;
- Negotiating and overseeing employment agreements with officers and directors; and
- Overseeing how the Company's compensation policies and practices may affect the Company's risk management practices and/or risk-taking incentives.

The board of directors has adopted a written charter setting forth the authority and responsibilities of the Compensation Committee.

The Compensation Committee consists of Ms. Bloor, Mr. Justus and Ms. Hendrickson. Ms. Bloor serves as chairman of the Compensation Committee. The board of directors has affirmatively determined that each member of the Compensation Committee meets the independence criteria applicable to compensation committee members under SEC rules and Nasdaq listing rules. The Company believes that the composition of the Compensation Committee meets the requirements for independence under, and the functioning of such Compensation Committee will comply with, any applicable requirements of the rules and regulations of Nasdaq listing rules and the SEC.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, among other things, is responsible for:

- Reviewing and assessing the development of the executive officers and considering and making recommendations to the Board regarding promotion and succession issues;
- Evaluating and reporting to the Board on the performance and effectiveness of the directors, committees and the Board as a whole;
- Working with the Board to determine the appropriate and desirable mix of characteristics, skills, expertise and experience, including diversity considerations, for the full Board and each committee;
- Annually presenting to the Board a list of individuals recommended to be nominated for election to the Board;
- Reviewing, evaluating, and recommending changes to the Company's Corporate Governance Principles and Committee Charters;
- Recommending to the Board individuals to be elected to fill vacancies and newly created directorships;
- Overseeing the Company's compliance program, including the Code of Conduct; and
- Overseeing and evaluating how the Company's corporate governance and legal and regulatory compliance policies and practices, including leadership, structure, and succession planning, may affect the Company's major risk exposures.

The board of directors has adopted a written charter setting forth the authority and responsibilities of the Corporate Governance/Nominating Committee.

The Nominating and Corporate Governance Committee consists of Ms. Bloor, Mr. Justus and Ms. Hendrickson. Mr. Justus serves as chair. The Company's board of directors has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the independent director guidelines of Nasdaq listing rules.

Compensation Committee Interlocks and Insider Participation

None of the Company's executive officers serves, or in the past has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of the Company's board of directors or its compensation committee. None of the members of the Company's compensation committee is, or has ever been, an officer or employee of the company.

Code of Business Conduct and Ethics

The Company's Board of Directors has adopted a code of business conduct and ethics applicable to its employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of Nasdaq. The code of business conduct and ethics will be publicly available on the Company's website. Any substantive amendments or waivers of the code of business conduct and ethics or code of ethics for senior financial officers may be made only by the Company's board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of Nasdaq.

Corporate Governance Guidelines

The Company's board of directors has adopted corporate governance guidelines in accordance with the corporate governance rules of Nasdaq.

Delinquent Section 16(A) Reports.

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the SEC and are required to furnish copies to the Company. Based solely on the review of the Changes of Beneficial Ownership disclosures on Forms 3, 4 and 5 filed with the Securities and Exchange Commission, the following persons filed the following number of transactions on Section 16 beneficial ownership disclosure filings late for transactions:

- Mr. Mark Standish filed one Form 4 late with respect to one transaction;
- Mr. Arthur Rosen filed one Form 5 for late filings with respect to five transactions; and
- Mr. Eric Ellis Goldberg filed one Form 4 for late filings with respect to two transactions, and one Form 3 late with respect to two transactions.

ITEM 11. EXECUTIVE COMPENSATION

The following information is related to the compensation paid, distributed or accrued by us for the years ended December 31, 2021 and December 31, 2020 for our Chief Executive Officer (principal executive officer) serving during the year ended December 31, 2021 and the three other executive officers serving at December 31, 2021 whose total compensation exceeded $100,000 (the "Named Executive Officers").

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Laurie Weisberg	2021	$ 313,750	$ 25,000	$ 20,226	$ 763,894	—	—	$ 24,925[1]	$ 1,147,795
Chief Executive Officer	2020	$ 60,577	$ —	—	—	—	—	$ 7,875[2]	$ 68,452
Justin Maury	2021	$ 306,923	$ 5,000	—	$ 1,479,328	—	—	$ 7,919[3]	$ 1,799,170
President & Chief Operating Officer	2020	$ 147,009	—	$ 412,204[9]	$ 713,563	—	—	$ 7,920[4]	$ 1,280,696
Chelsea Pullano	2021	$ 207,616	$ —	—	$ 610,052	—	—	$ 7,632[5]	$ 825,300
Chief Financial Officer	2020	$ 123,500	—	$ 38,050[10]	$ 522,121	—	—	$ 1,908[6]	$ 685,579
Jeremy Frommer	2021	$ 665,433	$ 200,000	—	$ 1,709,628	—	—	$ 98,237[7]	$ 2,673,298
Executive Chairman	2020	$ 234,231	$ 182,000	$ 469,255[11]	$ 931,339	—	—	$ 86,686[8]	$ 1,903,511

(1) The $24,925 includes payment to Ms. Weisberg for health insurance.
(2) The $7,875 includes payment to Ms. Weisberg for health insurance.
(3) The $7,919 includes payment to Mr. Maury for health insurance.
(4) The $7,920 includes payment to Mr. Maury for health insurance.
(5) The $7,632 includes payment to Ms. Pullano for health insurance.
(6) The $1,908 includes payment to Ms. Pullano for health insurance.
(7) The $98,237 includes payment to Mr. Frommer for living expenses, health insurance and a vehicle allowance.
(8) The $86,686 includes payment to Mr. Frommer for living expenses, health insurance and a vehicle allowance.
(9) On May 13, 2020, the Company exchanged 167,955 stock options for 251,933 shares of Common Stock. $403,604 is attributable to this exchange. $8,660 of this amount is attributable to the issuance of shares in lieu of wages.
(10) On May 13, 2020, the Company exchanged 14,205 stock options for 21,308 shares of Common Stock.
(11) On May 13, 2020, the Company exchanged 200,000 stock options for 300,000 shares of Common Stock. $456,134 is attributable to this exchange. $12,121 of this amount is attributable to the issuance of shares in lieu of wages.

Employment Agreements

As of December 31, 2021, the Company had not entered into any employment agreements, but has entered into such agreements with its Chief Executive Officer, Executive Chairman, President & Chief Operating Officer, and Chief Financial Officer subsequent to December 31, 2021.

2020 Equity Incentive Plan

Our 2020 Equity Incentive Plan (the "2020 Plan") provides for the issuance of incentive stock options, non-statutory stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), and other stock-based awards and there are 2,500,000 shares originally reserved under the 2020 Plan.

No further awards may be issued under the Jerrick Ventures 2015 Incentive and Award Plan (the "2015 Plan"), but all awards under the 2015 Plan that are outstanding as of the Effective Date will continue to be governed by the terms, conditions and procedures set forth in the 2015 Plan and any applicable award agreement.

Outstanding Equity Awards at Fiscal Year-End 2021

At December 31, 2021, we had outstanding equity awards as follows:

Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Weighted Average Exercise Price	Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Jeremy Frommer[1]	210,188	400,000	—	$ 5.94	February 19, 2028[5]	—	$ —	—	—
Laurie Weisberg[2]	137,667	87,083	—	$ 7.13	February 19, 2028[6]	—	$ —	—	—
Justin Maury[3]	149,333	374,000	—	$ 5.93	February 19, 2028[7]	—	$ —	—	—
Chelsea Pullano[4]	87,000	150,000	—	$ 4.37	February 19, 2028[8]	—	$ —	—	—

(1) Effective February 5, 2016, to August 13, 2021, Jeremy Frommer was appointed as our Chief Executive Officer. Starting August 13, 2021, Jeremy Frommer was appointed Co-Chief Executive Officer with Laurie Weisberg.

(2) Effective September 28, 2020, to August 13, 2021, Laurie Weisberg was appointed as our Chief Operating Officer. Starting August 13, 2021, Laurie Weisberg Co-Chief Executive Officer with Jeremy Frommer.

(3) Effective January 31, 2019, to August 13, 2021, Justin Maury was appointed as our President. Starting August 13, 2021, Justin Maury was appointed Chief Operating Officer in addition to President.

(4) Effective June 29, 2020, Chelsea Pullano was appointed Chief Financial Officer.

(5) 121,000 options expire on October 28, 2026, 200,000 options expire on February 19, 2027, 200,000 options expire on February 19, 2028.

(6) 53,750 options expire on February 4, 2026, 121,000 options expire on October 28, 2026, 25,000 options expire on February 19, 2027, 25,000 options expire on February 19, 2028.

(7) 81,000 options expire on October 28, 2026, 187,000 options expire on February 19, 2027, 187,000 options expire on February 19, 2028.

(8) 37,000 options expire on October 28, 2026, 75,000 options expire on February 19, 2027, 75,000 options expire on February 19, 2028.

Director Compensation

The following table presents the total compensation for each person who served as a non-employee member of our board of directors and received compensation for such service during the fiscal year ended December 31, 2021. Other than as set forth in the table and described more fully below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our board of directors in 2021.

Director	Option Awards[(1)]	Fees Earned or Paid in Cash	Total
Mark Standish[(4)]	$ 340,414	$ —	$ 340,414
Mark Patterson[(2)]	$ 131,845	$ —	$ 131,845
Leonard Schiller[(4)]	$ 171,453	$ —	$ 171,453
LaBrena Martin[(4)]	$ 169,078	$ —	$ 169,078
Laurie Weisberg[(3)]	$ 763,894	$ —	$ 763,894

(1) Amounts shown in this column do not reflect dollar amounts actually received by our non-employee directors. Instead, these amounts represent the aggregate grant date fair value of stock option awards determined in accordance with FASB ASC Topic 718.

(2) Mark Patterson resigned from the board of directors effective July 31, 2021.

(3) Laurie Weisberg was appointed the Company's Chief Operating Officer on September 28, 2020.

(4) Mark Standish, Leonard Schiller, and LaBrena Martin resigned from the board of directors subsequent to December 31, 2021.

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

The following table sets forth certain information, as of April 4, 2022, with respect to the beneficial ownership of the outstanding common stock by (i) any holder of more than five (5%) percent; (ii) each of the Company's executive officers and directors; and (iii) the Company's directors and executive officers as a group. Except as otherwise indicated, each of the stockholders listed below has sole voting and investment power over the shares beneficially owned. Except as otherwise indicated, each of the stockholders listed below has sole voting and investment power over the shares beneficially owned. The address for each person is 648 Broadway, Suite 200, New York, NY 10012.

	Shares Beneficially Owned[(1)]	Percentage Ownership
Executive Officers and Directors		
Jeremy Frommer	1,382,199[(2)]	6.68%
Justin Maury	639,536[(3)]	3.13%
Chelsea Pullano	248,818[(4)]	1.24%
Joanna Bloor	—	0%
Brad Justus	30,000[(5)]	*%
Lorraine Hendrickson	—	0%
Laurie Weisberg	298,635[(6)]	1.48%
All current directors and officers as a group	**2,599,188**	**12.68%**

* less than one percent

(1) The securities "beneficially owned" by a person are determined in accordance with the definition of "beneficial ownership" set forth in the regulations of the SEC and accordingly, may include securities owned by or for, among others, the spouse, children or certain other relatives of such person, as well as other securities over which the person has or shares voting or investment power or securities which the person has the right to acquire within 60 days.

(2) Includes 577,725 shares of common stock, 610,188 shares of common stock underlying stock options, and 194,286 shares of common stock underlying warrants.

(3) Includes 109,060 shares of common stock, 523,333 shares of common stock underlying stock options, and 7,143 shares of common stock underlying warrants.
(4) Includes 9,818 shares of common stock and 237,000 shares of common stock underlying stock options and 2,000 shares of common stock underlying warrants
(5) Includes 25,000 shares of common stock and 5,000 shares of common stock underlying warrants.
(6) Includes 64,249 shares of common stock and 224,750 shares of common stock underlying stock options and 9,636 shares of common stock underlying warrants.

Securities Authorized for Issuance Under Equity Compensation Plans

As of December 31, 2021, we had awards outstanding under our 2020 Equity Incentive Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options and warrants (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column[a]) (c)
Equity compensation plans approved by security holders	2,950,402[1]	$ 7.07	351,515
Equity compensation plans not approved by stockholders	N/A	N/A	N/A
Total	2,950,402	$ 7.07	351,515

(1) During the year ended December 31, 2021, we had awards outstanding under the 2020 Plan. As of the end of fiscal year 2021, we had 3,039,308 shares of our common stock issuable upon the exercise of outstanding options granted pursuant to the 2020 Plan. The securities available under the Plan for issuance and issuable pursuant to exercises of outstanding options may be adjusted in the event of a change in outstanding stock by reason of stock dividend, stock splits, reverse stock splits, etc. Pursuant to the terms of the 2020 Plan we can grant stock options, restricted stock unit awards, and other awards at levels determined appropriate by our Board and/or compensation committee. The 2020 Plan also allows us to utilize a broad array of equity incentives and performance cash incentives in order to secure and retain the services of our employees,

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following includes a summary of transactions during our fiscal years ended December 31, 2021 and December 31, 2020 to which we have been a party, including transactions in which the amount involved in the transaction exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described elsewhere in this Annual Report. We are not otherwise a party to a current related party transaction, and no transaction is currently proposed, in which the amount of the transaction exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years and in which a related person had or will have a direct or indirect material 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.

The July 2020 Convertible Note Offering

From July 2020 to September 2020, the Company conducted multiple closings of a private placement offering to accredited investors (the "July 2020 Convertible Note Offering") of units of the Company's securities by entering into subscription agreements with "accredited investors" (the "July 2020 Investors") for aggregate gross proceeds of $50,000. The July 2020 Convertible Note Offering accrues interest at a rate of twelve percent per annum (12%). The July 2020 Convertible Note Offering mature on the six (6^{th}) month anniversary of their issuance dates.

The July 2020 Note Offering is convertible into shares of the Company's common stock, par value $.001 per share ("Conversion Shares") at the lesser of (i) a fixed conversion price equal to $12.75 per share after the maturity date or (ii) any private placement offerings or one or more registered public offerings by the Company under the Securities Act in connection with its listing onto a national securities exchange (a "Qualified Offering").

Upon default the July 2020 Convertible Note Offering is convertible into shares of the Company's common stock, par value $.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.

The conversion feature of the July 2020 Convertible Note Offering provides for an effective conversion price that is below market value on the date of issuance. Such feature is normally characterized as a beneficial conversion feature. When the Company records a BCF the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The Company recorded a BCF and related debt discount of $9,812, the discount is being accreted over the life of the Debenture to accretion of debt discount and issuance cost.

The Company recorded a $21,577 debt discount relating to 3,922 July 2020 Convertible Note Offering 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.

During the year ended December 31, 2020, the Company converted $50,000 of principal and $630 of unpaid interest into the September 2020 Equity Raise.

The January 2020 Rosen Loan Agreement

On January 14, 2020, the Company entered into a loan agreement (the "January 2020 Rosen Loan Agreement"), whereby the Company issued a promissory note in the principal amount of $150,000 (the "January 2020 Rosen Note"). Pursuant to the January 2020 Rosen Loan Agreement, the January 2020 Rosen Note accrues interest at a fixed amount of $2,500 for the duration of the note.

During the year ended December 31, 2020 the Company repaid $150,000 in principal and $15,273 in interest.

The February Banner 2020 Loan Agreement

On February 15, 2020, the Company entered into a loan agreement (the "February 2020 Banner Loan Agreement"), whereby the Company issued a promissory note in the principal amount of $9,900 (the "February 2020 Note") for expenses paid on behalf of the Company by an employee. Pursuant to the February 2020 Loan Agreement, the February 2020 Note bears interest at a rate of $495. As additional consideration for entering in the February 2020 Loan Agreement, the Company issued a five-year warrant to purchase 49 shares of the Company's common stock at a purchase price of $18.00 per share.

During the year ended December 31, 2020 the Company repaid $9,900 in principal and $495 in interest.

The February 2020 Frommer Loan Agreement

On February 18, 2020, the Company entered into a loan agreement (the "February 2020 Frommer Loan Agreement") with Jeremy Frommer, an officer of the Company, whereby the Company issued Frommer a promissory note in the principal amount of $2,989 (the "February 2020 Frommer Note"). As additional consideration for entering in the June 2018 Frommer Note Loan Agreement, the Company issued Frommer a five-year warrant to purchase 15 shares of the Company's common stock at a purchase price of $18.00 per share. Pursuant to the February 2020 Frommer Loan Agreement, the note is payable on the maturity date of February 28, 2020 (the "February 2020 Frommer Maturity Date").

During the year ended December 31, 2020 the Company repaid $2,989 in principal and $160 in interest.

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 share price of the Company’s common stock is below 2.92 on September 14, 2020, 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 make-whole feature of gave rise to a derivative liability of $2,557,275 which was recorded as a loss on extinguishment of debt.

During the year ended December 31, 2020 the Company accrued interest of $347.

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 share price of the Company’s common stock is below 2.92 on September 14, 2020, 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 make-whole feature of gave rise to a derivative liability of $504,413 which was recorded as a loss on extinguishment of debt.

During the year ended December 31, 2020 the Company accrued interest of $67.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Company’s annual financial statements and review of financial statements included in the Company’s quarterly reports or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

	2021	2020
Audit Fees	$ 237,810	$ 160,500
Audit-Related Fees	$ —	$ —
Tax Fees	$ 12,500	$ 12,500
All Other Fees	$ —	$ —
Total	$ 250,310	$ 173,000

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits. The exhibits listed below are filed as a part of this annual report.

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated February 5, 2016 by and among the Company, GPH Merger Sub., Inc., and Jerrick Ventures, Inc. (incorporated by reference to Exhibit 2.1 of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
2.2	Agreement and Plan of Merger dated February 28, 2016 by and among the Company and Jerrick Ventures, Inc. (incorporated by reference to Exhibit 2.1 of the Company's current report on Form 8-K filed with the Commission on March 3, 2016).
3.1	Articles of Incorporation, filed with the Nevada Secretary of State on December 30, 1999 (incorporated by reference to the Company's annual report on Form 10-SB filed with the Commission on March 30, 2006).
3.2	Amended and Restated Articles of Incorporation, filed with the Nevada Secretary of State on November 6, 2013 (incorporated by reference to Exhibit 3.3 to the Company's current report on Form 8-K filed with the Commission on December 4, 2013).
3.3	Certificate of Designation, Preferences, and Rights of Series A Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's current report on Form 8-K filed with the Commission on April 8, 2014).
3.4	Certificate of Designation, Preferences and Rights of Series B Preferred Stock (incorporated by reference to Exhibit 3.1 of the Company's current report on Form 8-K filed with the Commission on December 4, 2014).
3.5	Certificate of Designation of Series C Preferred Stock (incorporated by reference to Exhibit 3.1 of the Company's current report on Form 8-K filed with the Commission on August 3, 2015).
3.6	Certificate of Designation of Series D Preferred Stock (incorporated by reference to Exhibit 3.1(f) of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
3.7	Jerrick Ventures, Inc. Certificate of Designation of Series A Cumulative Convertible Preferred Stock. (incorporated by reference to Exhibit 3.1(g) of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
3.8	Jerrick Ventures, Inc. Amendment to Certificate of Designation of Series A Cumulative Convertible Preferred Stock. (incorporated by reference to Exhibit 3.1(h) of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
3.9	Jerrick Ventures, Inc. Certificate of Designation of Series B Cumulative Convertible Preferred Stock. (incorporated by reference to Exhibit 3.1(i) of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
3.10	Certificate of Withdrawal of Certificate of Designation for Series A Preferred Stock. (incorporated by reference to Exhibit 3.1 of the Company's current report on Form 8-K filed with the Commission on March 3, 2016).
3.11	Certificate of Withdrawal of Certificate of Designation for Series B Preferred Stock. (incorporated by reference to Exhibit 3.2 of the Company's current report on Form 8-K filed with the Commission on March 3, 2016).
3.12	Certificate of Withdrawal of Certificate of Designation for Series C Preferred Stock. (incorporated by reference to Exhibit 3.3 of the Company's current report on Form 8-K filed with the Commission on March 3, 2016).
3.13	Certificate of Designation for Series A Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.4 of the Company's current report on Form 8-K filed with the Commission on March 3, 2016).
3.14	Certificate of Designation for Series C Cumulative Convertible Preferred Stock (incorporated by reference to Exhibit 3.5 of the Company's current report on Form 8-K filed with the Commission on March 3, 2016).
3.15	Bylaws (incorporated by reference to the Company's 8-K filed on May 12, 2020).
3.16	Certificate of Incorporation of Jerrick Ventures, Inc. (incorporated by reference to Exhibit 3.3 of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
4.1*	Description of Securities Registered Under Section 12 of the Exchange Act

Exhibit No.	Description
4.2	Form of Warrant (incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8- K filed with the Commission on March 21, 2017).
4.3	Form of Warrant (incorporated by reference to Exhibit 4.1 of the Company's current report on Form 8-K filed with the Commission on July 21, 2017).
4.4	Form of Warrant (incorporated by reference to Exhibit 4.1 of the Company's current report on Form 8-K filed with the Commission on September 18, 2017)
4.5	Form of Warrant (incorporated by reference to Exhibit 4.1 of the Company's current report on Form 8-K filed with the Commission on January 2, 2018)
4.6	Form of Warrant (incorporated by reference to Exhibit 4.1 of the Company's current report on Form 8-K filed with the Commission on April 2, 2018)
4.7	Form of Warrant (incorporated by reference to Exhibit 4.1 of the Company's current report on Form 8-K filed with the Commission on May 29, 2018)
4.8	Form of Purchaser Warrant (incorporated by reference to Exhibit 4.1 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
4.9	Form of Incentive Warrant (incorporated by reference to Exhibit 4.2 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
4.10	Form of Warrant Agency Agreement (incorporated by reference to Exhibit 4.22 to the Company's current report on Form S-1/A filed with the Commission on September 10, 2020).
4.11	Form of Underwriters' Warrant (incorporated by reference to Exhibit 4.23 to the Company's current report on Form S-1/A filed with the Commission on September 10, 2020).
4.12	Form of Warrant (incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the Commission on October 27, 2021).
4.13	Form of Underwriter Warrant (incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the Commission on June 17, 2021).
10.1	Spin-Off Agreement dated as of February 5, 2016 between the Company and Kent Campbell. (incorporated by reference to Exhibit 10.9 of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
10.2	Share Exchange Agreement dated as of February 5, 2016 by and among Great Plains Holdings, Inc., Kent Campbell, Denis Espinoza and Sarah Campbell. (incorporated by reference to Exhibit 10.10 of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
10.3	Form of Stock Purchase Agreement. (incorporated by reference to Exhibit 10.11 of the Company's current report on Form 8-K filed with the Commission on February 11, 2016).
10.4	Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the Commission on March 21, 2017).
10.5	Assignment and Assumption Agreement, dated May 12, 2017 (incorporated by reference to Exhibit 10.1 of the Company's quarterly report on Form 10-Q filed with the Commission on May 15, 2017).
10.6	Line of Credit Agreement, dated May 9, 2017 by and between the Company and Arthur Rosen (incorporated by reference to Exhibit 10.1 of the Company's quarterly report on Form 10-Q filed with the Commission on May 15, 2017).
10.7	Promissory Note Issued in Favor of Grawlin, LLC, Dated May 12, 2017, (incorporated by reference to Exhibit 10.1 of the Company's quarterly report on Form 10-Q filed with the Commission on May 15, 2017).
10.8	Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on March 21, 2017).
10.9	Form of 8.5% Convertible Redeemable Debentures due April 18, 2018 (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on July 21, 2017).
10.10	Jerrick Media Holdings Inc. 8.5% Convertible Redeemable Note Due April 11, 2018 (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on September 15, 2017)
10.11	First Amendment to 8.5% Convertible Redeemable Note Due April 11, 2018 (incorporated by reference to Exhibit 10.3 of the Company's current report on Form 8-K filed with the Commission on September 15, 2017)

Exhibit No.	Description
10.12	Securities Purchase Agreement between the Company and Diamond Rock LLC dated July 24, 2017 (incorporated by reference to Exhibit 10.4 of the Company's current report on Form 8-K filed with the Commission on September 15, 2017)
10.13	Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on September 18, 2017)
10.14	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.3 of the Company's current report on Form 8-K filed with the Commission on February 14, 2018)
10.15	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on February 13, 2018)
10.16	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on April 2, 2018)
10.17	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on May 29, 2018)
10.18	Form of Promissory Note (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on May 29, 2018)
10.19	Form Registration Rights Agreement (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
10.20	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.3 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
10.21	Form of Series A Preferred Stock Conversion Letter Agreement (incorporated by reference to Exhibit 10.4 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
10.22	Form of Series B Preferred Stock Conversion Letter Agreement (incorporated by reference to Exhibit 10.5 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
10.23	Form of Promissory Note Conversion Letter Agreement (incorporated by reference to Exhibit 10.7 of the Company's current report on Form 8-K filed with the Commission on August 31, 2018)
10.24	Lease Agreement (incorporated by reference to Exhibit 10.5 of the Company's quarterly report on Form 10-Q filed with the Commission on August 20, 2018)
10.25	Jerrick Ventures, Inc. 2015 Incentive Stock and Award Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 10.53 the Company's Amendment No. 3 to Registration Statement on Form S-1/A filed with the Commission on August 21, 2020)
10.26	2020 Equity Incentive Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 10.54 the Company's Amendment No. 3 to Registration Statement on Form S-1/A filed with the Commission on August 21, 2020)
10.27	Warrant Agreement, including form of Warrant, dated September 15, 2020 (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on September 15, 2020).
10.28	Weisberg Employment Letter Agreement, dated September 28, 2020 (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on October 1, 2020).
10.29	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on January 5, 2021).
10.30	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on January 5, 2021).
10.31	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.3 of the Company's current report on Form 8-K filed with the Commission on January 5, 2021).
10.32	Form of PA Warrant (incorporated by reference to Exhibit 10.4 of the Company's current report on Form 8-K filed with the Commission on January 5, 2021).
10.33	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the Commission on October 27, 2021).
10.34	Placement Agency Agreement (incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K filed with the Commission on October 27, 2021).

Exhibit No.	Description
10.35	Membership Interest Purchase Agreement, dated as of June 4, 2021, by and among, Creatd Partners, LLC, Angela Hein and Heidi Brown (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the Commission on June 10, 2021).
10.36	Stock Purchase Agreement, dated as of July 20, 2021, by and among, Creatd Partners, LLC, WHE Agency, Inc., and individuals named therein (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on July 26, 2021).
10.37	Voting Agreement and Proxy, dated as of July 19, 2021, by and among, Creatd Partners, LLC, and individuals named therein (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on July 26, 2021).
10.38	Stock Purchase Agreement by and among Standard Holdings Inc., Mark De Luca, Stephanie Roy Dufault, Dune Inc. and Creatd Partners, LLC dated October 3, 2021 (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the Commission on October 7, 2021).
10.39	Stockholders Agreement by and among Dune Inc., Creatd Partners, LLC, Mark De Luca and Standard Holdings Inc. dated October 3, 2021 (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the Commission on October 7, 2021).
10.40*	Executive Employment Agreement between the Company and Jeremy Frommer
10.41*	Executive Employment Agreement between the Company and Laurie Weisberg
10.42*	Executive Employment Agreement between the Company and Justin Maury
10.43*	Executive Employment Agreement between the Company and Chelsea Pullano
16.1	Letter from Sadler, Gibb & Associates, LLC dated January 7, 2019 (incorporated by reference to Exhibit 16.1 of the Company's current report on Form 8-K filed with the Commission on January 8, 2019)
21.1*	List of Subsidiaries (incorporated by reference to Exhibit 21.1 of the Company's annual report on Form 10-K filed with the Commission on March 30, 2020)
23.1*	Consent of Rosenberg Rich Baker Berman, P.A.
31.1*	Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a), As adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a), As adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, As adopted Pursuant to Section 906 of the Sarbanes-Oxley Act 2002
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, As adopted Pursuant to Section 906 of the Sarbanes-Oxley Act 2002
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

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

CREATD, INC.

Date: April 6, 2022

By: */s/ Laurie Weisberg*
Chief Executive Officer
(Principal Executive Officer)

/s/ Chelsea Pullano
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

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

Signature	Title	Date
/s/ Laurie Weisberg Laurie Weisberg	Chief Executive Officer, Director (*Principal Executive Officer*)	April 6, 2022
/s/ Jeremy Frommer Jeremy Frommer	Executive Chairman	April 6, 2022
/s/ Chelsea Pullano Chelsea Pullano	Chief Financial Officer *(Principal Financial Officer, and Principal Accounting Officer)*	April 6, 2022
/s/ Joanna Bloor Joanna Bloor	Director	April 6, 2022
/s/ Brad Justus Brad Justus	Director	April 6, 2022
/s/ Lorraine Hendrickson Lorraine Hendrickson	Director	April 6, 2022