

IZEA, Inc.  
Consolidated Balance Sheets

	September 30	December 31
	(Unaudited)	
Assets		
Current:		
Cash and cash equivalents	\$ 13,273,0	\$ 6,521,93
Accounts receivable, net	3,048,299	2,156,378
Prepaid expenses	745,426	190,604
Other current assets	13,317	61,424
<b>Total current assets</b>	<b>17,080,090</b>	<b>8,930,336</b>
Property and equipment, net of accumulated depreciation of \$389,174 and	595,549	588,919
Goodwill	2,468,289	—
Intangible assets, net of accumulated amortization of \$395,333 and \$0	1,974,667	—
Software development costs, net of accumulated amortization of \$171,185 and	413,365	483,544
Security deposits	119,671	100,641
<b>Total assets</b>	<b>\$ 22,651.6</b>	<b>\$ 10,103.4</b>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 940,993	\$ 310,611
Accrued expenses	1,151,468	394,617
Unearned revenue	2,358,895	1,767,074
Current portion of deferred rent	10,772	—
Current portion of capital lease obligations	15,602	54,376
Current portion of acquisition costs payable	833,227	—
<b>Total current liabilities</b>	<b>5,310,957</b>	<b>2,526,678</b>
Deferred rent, less current portion	107,303	106,531
Capital lease obligations, less current portion	—	7,291
Acquisition costs payable, less current portion	977,669	—
Warrant liability	10,780	3,203,465
<b>Total liabilities</b>	<b>6,406,709</b>	<b>5,843,965</b>
Stockholders' equity:		
Common stock, \$.0001 par value; 200,000,000 shares authorized; 104,002,308 and 57,697,666, respectively, issued and outstanding	10,400	5,770
Additional paid-in capital	48,077,162	27,195,055
Accumulated deficit	(31,842,64 )	(22,941,35 )
<b>Total stockholders' equity</b>	<b>16,244,922</b>	<b>4,259,475</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 22,651,6</b>	<b>\$ 10,103,4</b>

IZEA, Inc.  
Unaudited Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue	\$ 5,442,4	\$ 1,931,6	\$ 14,205,	\$ 5,857,9
Cost of sales	3,290,45	692,217	8,649,30	1,998,40
<b>Gross profit</b>	<b>2,152,00</b>	<b>1,239,45</b>	<b>5,556,38</b>	<b>3,859,54</b>
Operating expenses:				
General and administrative	1,056,47	1,287,04	5,081,36	3,600,62
<b>Sales and marketing</b>	<b>1,982,08</b>	<b>1,515,13</b>	<b>5,310,12</b>	<b>3,726,37</b>
<b>Total operating expenses</b>	<b>3,038,56</b>	<b>2,802,18</b>	<b>10,391,4</b>	<b>7,326,99</b>
Loss from operations	(886,561 )	(1,562,73 )	(4,835,10 )	(3,467,45 )
Other income (expense):				
Interest expense	(31,191 )	(5,519 )	(86,354 )	(20,587 )
Loss on exchange of warrants	(1,845,81 )	—	(1,845,81 )	—
Change in fair value of derivatives, net	115,904	2,250,34	(2,139,54 )	5,625,55
Other income, net	2,571	3,278	5,520	7,677
<b>Total other income (expense)</b>	<b>(1,758,52 )</b>	<b>2,248,10</b>	<b>(4,066,18 )</b>	<b>5,612,64</b>
Net income (loss)	\$ (2,645, )	\$ 685,370	\$ (8,901, )	\$ 2,145,1
Weighted average common shares outstanding – basic	81,512,0	57,350,7	65,728,6	50,584,6
Basic income (loss) per common share	\$ (0.03 )	\$ 0.01	\$ (0.14 )	\$ 0.04
Weighted average common shares outstanding –	81,512,0	69,428,9	65,728,6	63,663,1
Diluted income (loss) per common share	\$ (0.03 )	\$ 0.01	\$ (0.14 )	\$ 0.03

IZEA, Inc.  
Unaudited Consolidated Statements of Cash Flows

	Nine Months Ended September 30,	
	2015	2014
Cash flows from operating activities:		
Net income (loss)	\$ (8,901,290 )	\$ 2,145,194
Adjustments to reconcile net income (loss) to net cash used for operating		
Depreciation	149,873	65,683
Amortization of software development costs and other intangible assets	481,187	103,529
Loss on disposal of equipment	595	16,192
Provision for losses on accounts receivable	36,000	—
Stock-based compensation	511,202	389,002
Value of stock and warrants issued or to be issued for payment of services	136,592	147,860
Gain on change in value of contingent acquisition costs payable	(1,734,300 )	—
Loss on exchange of warrants	1,845,810	—
Change in fair value of derivatives, net	2,139,540	(5,625,555 )
Cash provided by (used for):		
Accounts receivable	(611,400 )	183,968
Prepaid expenses and other current assets	(465,191 )	(454,839 )
Accounts payable	87,043	(174,386 )
Accrued expenses	726,643	30,326
Unearned revenue	557,927	(156,156 )
Deferred rent	1,644	60,508
<b>Net cash used for operating activities</b>	<b>(5,038,125 )</b>	<b>(3,268,674 )</b>
Cash flows from investing activities:		
Purchase of equipment	(145,579 )	(159,974 )
Increase in software development costs	—	(206,529 )
Acquisition, net of cash acquired	(905,586 )	—
Security deposits	(477 )	(11,067 )
<b>Net cash used for investing activities</b>	<b>(1,051,642 )</b>	<b>(377,570 )</b>
Cash flows from financing activities:		
Proceeds from issuance of common stock and warrants, net	—	10,932,912
Proceeds from exercise of options & warrants	12,886,950	112,800
Payments on notes payable and capital leases	(46,065 )	(49,602 )
<b>Net cash provided by financing activities</b>	<b>12,840,885</b>	<b>10,996,110</b>
Net increase in cash and cash equivalents	6,751,118	7,349,866
Cash and cash equivalents, beginning of year	6,521,930	530,052
<b>Cash and cash equivalents, end of period</b>	<b>\$ 13,273,048</b>	<b>\$ 7,879,918</b>
Supplemental cash flow information:		
Cash paid during period for interest	\$ 5,805	\$ 11,870

Non-cash financing and investing activities:			
Fair value of warrants issued	\$	51,950	\$ 12,382,216
Acquisition costs payable for assets acquired	\$	3,942,639	\$ —
Acquisition costs paid through issuance of common stock	\$	250,000	\$ —
Fair value of warrants reclassified from liability to equity	\$	6,530,046	\$ 3,166,482
Acquisition of assets through capital lease	\$	—	\$ 41,339

IZEA, Inc.  
Reconciliation of GAAP to Non-GAAP Operating EBITDA  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2015	2014	2015	2014
Net income (loss)	\$ (2,645,0 )	\$ 685,370	\$ (8,901,2 )	\$ 2,145,19
Non-cash stock-based compensation	188,458	142,252	511,202	389,002
Non-cash stock issued for payment of services	31,251	18,750	136,592	147,860
Change in the fair value of derivatives	(115,904 )	(2,250,344 )	2,139,540	(5,625,555 )
Loss on exchange of warrants	1,845,810	—	1,845,810	—
Loss on disposal of equipment	595	16,593	595	16,192
Gain on change in value of contingent acquisition costs payable	(1,734,300 )	—	(1,734,300 )	—
Interest expense	31,191	5,519	86,354	20,587
Depreciation & amortization	230,553	72,309	631,060	160,495
Operating EBITDA	(2,167,433 )	(1,309,551 )	(5,284,437 )	(2,746,225 )