

IZEA, Inc.
Consolidated Balance Sheets

	December 31, 2016	December 31, 2015
Assets		
Current:		
Cash and cash equivalents	\$ 5,949,004	\$ 11,608,452
Accounts receivable, net	3,745,695	3,917,925
Prepaid expenses	322,377	193,455
Other current assets	11,940	16,853
Total current assets	10,029,016	15,736,685
Property and equipment, net	460,650	596,008
Goodwill	3,604,720	2,468,289
Intangible assets, net	1,662,536	1,806,191
Software development costs, net	1,103,959	813,932
Security deposits	161,736	117,946
Total assets	\$ 17,022,617	\$ 21,539,051
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,438,389	\$ 995,275
Accrued expenses	1,242,889	908,519
Unearned revenue	3,315,563	3,584,527
Current portion of deferred rent	34,290	14,662
Current portion of capital lease obligations	—	7,291
Current portion of acquisition costs payable	1,252,885	844,931
Total current liabilities	7,284,016	6,355,205
Deferred rent, less current portion	62,547	102,665
Acquisition costs payable, less current portion	688,191	889,080
Warrant liability	—	5,060
Total liabilities	8,034,754	7,352,010
Commitments and Contingencies	—	—
Stockholders' equity:		
Preferred stock; \$.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$.0001 par value; 200,000,000 shares authorized; 5,456,118 and 5,222,951, respectively, issued and outstanding	545	522
Additional paid-in capital	50,797,039	48,436,040
Accumulated deficit	(41,809,721)	(34,249,521)
Total stockholders' equity	8,987,863	14,187,041
Total liabilities and stockholders' equity	\$ 17,022,617	\$ 21,539,051

IZEA, Inc.
Consolidated Statements of Operations

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Revenue	\$ 7,433,991	\$ 6,262,233	\$ 27,310,602	\$ 20,467,926
Cost of sales	3,795,209	3,587,608	14,242,244	12,236,916
Gross profit	3,638,782	2,674,625	13,068,358	8,231,010
Operating expenses:				
General and administrative	2,723,490	2,435,748	10,282,792	7,517,115
Sales and marketing	2,705,246	2,626,091	10,261,910	7,936,215
Total operating expenses	5,428,736	5,061,839	20,544,702	15,453,330
Loss from operations	(1,789,954)	(2,387,214)	(7,476,344)	(7,222,320)
Other income (expense):				
Interest expense	(24,683)	(29,507)	(82,944)	(115,861)
Loss on exchange of warrants	—	—	—	(1,845,810)
Change in fair value of derivatives, net	(5,405)	5,720	9,163	(2,133,820)
Other income (expense), net	(9,590)	4,120	(10,075)	9,640
Total other income (expense)	(39,678)	(19,667)	(83,856)	(4,085,851)
Net loss	\$(1,829,632)	\$(2,406,881)	\$(7,560,200)	\$(11,308,171)
Weighted average common shares outstanding – basic and diluted	5,450,005	5,118,139	5,380,465	3,737,897
Basic and diluted loss per common share	\$ (0.34)	\$ (0.47)	\$ (1.41)	\$ (3.03)

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net loss	\$ (1,829,632)	\$ (2,406,881)	\$ (7,560,200)	\$ (11,308,171)
Non-cash stock-based compensation	171,948	194,264	748,092	705,466
Non-cash stock issued for payment of services	26,458	41,250	133,897	177,842
Change in the fair value of derivatives	5,405	(5,720)	(9,163)	2,133,820
Loss on exchange of warrants	—	—	—	1,845,810
Loss on disposal of equipment	9,919	—	9,435	595
Increase/(decrease) in value of contingent acquisition costs payable	94,000	(100,000)	94,000	(1,834,300)
Interest expense	24,683	29,507	82,944	115,861
Depreciation and amortization	364,788	428,071	1,299,851	1,059,131
Adjusted EBITDA	\$ (1,132,431)	\$ (1,819,509)	\$ (5,201,144)	\$ (7,103,946)

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