

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

**FORM S-1**  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**Banzai International, Inc.**  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**7372**  
(Primary Standard Industrial  
Classification Code No.)

**85-3118980**  
(I.R.S. Employer  
Identification No.)

**435 Ericksen Ave, Suite 250**  
**Bainbridge Island, Washington 98110**  
**Tel: (206) 414-1777**  
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Joseph Davy**  
**Banzai International, Inc.**  
**435 Ericksen Ave, Suite 250**  
**Bainbridge Island, Washington 98110**  
**Tel: (206) 414-1777**  
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

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**Hunter Taubman Fischer & Li LLC**  
**950 Third Avenue, 19th Floor**  
**New York, New York 10022**  
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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 under the Securities Exchange Act of 1934:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 7(a)(2)(B) of the Securities Act.

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said section 8(a), may determine.

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**The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling securityholder named herein may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY PROSPECTUS**

**SUBJECT TO COMPLETION-DATED OCTOBER [ ], 2024**



**Up to 877,372 Shares of Class A Common Stock**

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Banzai International, Inc. filing this prospectus for the offer and sale from time to time by the selling securityholder named in this prospectus (the "Selling Securityholders") of up to 877,372 shares of Class A Common Stock issued or issuable pursuant to the Debt Equitization Plan described elsewhere in this Registration Statement.

We will not receive any proceeds from the sale of shares of Class A Common Stock by the Selling Securityholders pursuant to this prospectus.

We are registering the securities for resale pursuant to the Selling Securityholders' registration rights under certain agreements between us and the Selling Securityholders. Our registration of the securities covered by this prospectus does not mean that the Selling Securityholder will offer or sell any of the shares of Class A Common Stock. The Selling Securityholder may offer, sell or distribute all or a portion of their shares of Class A Common Stock publicly or through private transactions at prevailing market prices or at negotiated prices. We will not receive any proceeds from the sale of shares of Class A Common Stock by the Selling Securityholder pursuant to this prospectus. We provide more information about how the Selling Securityholder may sell the shares in the section entitled "Plan of Distribution."

Sales of a substantial number of shares of Class A Common Stock in the public market, including the resale of the shares of Class A Common Stock held by our stockholders pursuant to this prospectus or pursuant to Rule 144, could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of Class A Common Stock intend to sell shares, could reduce the market price of the Class A Common Stock and make it more difficult for you to sell your holdings at times and prices that you determine are appropriate. We expect that, because there is a large number of shares being registered pursuant to the registration statement of which this prospectus forms a part, the Selling Securityholder will continue to offer the securities covered thereby pursuant to this prospectus or pursuant to Rule 144 for a significant period of time, the precise duration of which cannot be predicted. Accordingly, the adverse market and price pressures resulting from an offering pursuant to the registration statement may continue for an extended period of time.

Our Class A Common Stock is listed on The Nasdaq Global Market, under the symbol "BNZI." On October 14, 2024, the last reported sale price of our Class A Common Stock was \$3.70 per share.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, and, as such, have elected to comply with certain reduced public disclosure requirements for this prospectus and future filings. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company.

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**See the section entitled "[Risk Factors](#)" beginning on page 18 of this prospectus to read about factors you should consider before buying our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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**The date of this prospectus is October 16, 2024.**

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You should rely only on the information contained in or incorporated by reference in this prospectus or in any free writing prospectus that we may provide to you in connection with this offering. We have not authorized anyone to provide you with information different from, or in addition to, that contained in or incorporated by reference in this prospectus or any such free writing prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We can provide no assurance as to the reliability of any other information that others may give you. We are not making an offer to sell or seeking offers to buy these securities in any jurisdiction where or to any person to whom the offer or sale is not permitted. The information in this prospectus is accurate only as of the date on the front cover of this prospectus, and the information in any free writing prospectus that we may provide you in connection with this offering is accurate only as of the date of such free writing prospectus. Our business, financial condition, results of operations and prospects may have changed since those dates.

## ABOUT THIS PROSPECTUS

We have not authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or any applicable prospectus supplement or any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We do not take responsibility for, or provide any assurance as to the reliability of, any other information that others may give you. We will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

We may also provide a prospectus supplement or post-effective amendment to the registration statement to add information to, or update or change information contained in, this prospectus. You should read both this prospectus and any applicable prospectus supplement or post-effective amendment to the registration statement together with the additional information to which we refer you in the sections of this prospectus entitled “Where You Can Find More Information.”

On December 14, 2023 (the “Closing Date”), 7GC, our predecessor company, consummated the previously announced business combination pursuant to that certain Agreement and Plan of Merger and Reorganization, dated as of December 8, 2022 (the “Original Merger Agreement”), by and among 7GC, Banzai International, Inc. (“Legacy Banzai”), 7GC Merger Sub I, Inc., a Delaware corporation and an indirect wholly owned subsidiary of 7GC (“First Merger Sub”), and 7GC Merger Sub II, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of 7GC (“Second Merger Sub”), as amended by the Amendment to Agreement and Plan of Merger, dated as of August 4, 2023 (the “Merger Agreement Amendment” and, together with the Original Merger Agreement, the “Merger Agreement”), by and between 7GC and Legacy Banzai. Pursuant to the terms of the Merger Agreement, a business combination between 7GC and Legacy Banzai was effected through (a) the merger of First Merger Sub with and into Legacy Banzai, with Legacy Banzai surviving as a wholly-owned subsidiary of 7GC (Legacy Banzai, in its capacity as the surviving corporation of the merger, the “Surviving Corporation”) (the “First Merger”) and (b) the subsequent merger of the Surviving Corporation with and into Second Merger Sub, with Second Merger Sub being the surviving entity of the Second Merger, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC (the “Second Merger” and, together with the First Merger, the “Mergers” and, collectively with the other transactions described in the Merger Agreement, the “Business Combination”). On the Closing Date, and in connection with the closing of the Business Combination (the “Closing”), 7GC changed its name to Banzai International, Inc.

Unless the context indicates otherwise, references in this prospectus to the “Company,” “Banzai,” “we,” “us,” “our” and similar terms refer to Banzai International, Inc. (f/k/a 7GC & Co. Holdings Inc.) and its consolidated subsidiaries (including Legacy Banzai). References to “7GC” refer to our predecessor company prior to the consummation of the Business Combination.

*As disclosed in more detail in this prospectus, effective September 19, 2024, we completed a one-for-fifty (1-for-50) reverse stock split of our issued and outstanding shares of Class A Common Stock without a corresponding reduction in the total number of authorized shares of our Class A Common Stock (the “Reverse Stock Split”). All references to shares of our Class A Common Stock in this prospectus refer to the number of shares of Class A Common Stock after giving effect to the Reverse Stock Split and are presented as if the Reverse Stock Split had occurred at the beginning of the earliest period presented.*

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and in documents incorporated herein by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often use words such as “believe,” “may,” “will,” “estimate,” “target,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “propose,” “plan,” “project,” “forecast,” “predict,” “potential,” “seek,” “future,” “outlook,” and similar variations and expressions. Forward-looking statements are those that do not relate strictly to historical or current facts. Examples of forward-looking statements may include, among others, statements regarding the Company’s:

- future financial, business and operating performance and goals;
- annualized recurring revenue and customer retention;
- ongoing, future or ability to maintain or improve its financial position, cash flows, and liquidity and its expected financial needs;
- potential financing and ability to obtain financing;
- our continued listing with Nasdaq;
- acquisition strategy and proposed acquisitions and, if completed, their potential success and financial contributions;
- strategy and strategic goals, including being able to capitalize on opportunities;
- expectations relating to the Company’s industry, outlook and market trends;
- total addressable market and serviceable addressable market and related projections;
- plans, strategies and expectations for retaining existing or acquiring new customers, increasing revenue and executing growth initiatives; and
- product areas of focus and additional products that may be sold in the future.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity and development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements. Therefore, investors should not rely on any of these forward-looking statements. Factors that may cause actual results to differ materially include changes in the markets in which the Company operates, customer demand, the financial markets, economic, business and regulatory and other factors, such as the Company’s ability to execute on its strategy. More detailed information about risk factors can be found in this prospectus, the Company’s Annual Report on Form 10-K and the Company’s Quarterly Reports on Form 10-Q under the heading “Risk Factors,” and in other reports filed by the Company, including reports on Form 8-K. The Company does not undertake any duty to update forward-looking statements after the date they are made, except as required by law.

## PROSPECTUS SUMMARY

This summary highlights selected information appearing in this prospectus. Because it is a summary, it may not contain all of the information that may be important to you. To understand this offering fully, you should read this entire prospectus carefully, including the information set forth in the sections entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and the consolidated financial statements and related notes included elsewhere in this prospectus before making an investment decision.

### **The Company**

Banzai is a marketing technology (“MarTech”) company that produces data-driven marketing and sales solutions for businesses of all sizes. Our mission is to help our customers accomplish their mission-to enable better marketing, sales, and customer engagement outcomes by increasing the value of every customer interaction. We plan to do this by delivering software-as-a-service (“SaaS”) MarTech tools that leverage data, analytics, and artificial intelligence (“AI”) to improve all types of customer interactions and provide powerful benefits to our customers across three key areas of focus: targeting, engagement, and measurement. As part of our acquisition strategy, we also endeavor to acquire companies strategically positioned to enhance our product and service offerings, increasing the value provided to current and prospective customers.

Our platform currently includes three products. The first product we launched was Reach, a SaaS and managed services offering designed to increase registration and attendance of marketing events, followed by the acquisition of Demio Holding, Inc., a Delaware corporation (“Demio”), a SaaS solution for webinars designed for marketing, sales, and customer success teams in 2021. In 2023, we launched Boost, a SaaS solution for social sharing designed to increase attendance for Demio-hosted events by enabling easy social sharing by event registrants.

We sell our products using a recurring subscription license model typical in SaaS businesses, with customer contracts that vary in term length from single months to multiple years. As of December 31, 2023, our customer base included over 2,770 customers operating in over 90 countries, representing a variety of industries, including (among others) healthcare, financial services, e-commerce, technology, media and others. Our customers range in size from solo entrepreneurs and small businesses to Fortune 500 companies. No single customer represents more than 10% of our revenue.

Our Class A Common Stock is currently listed on The Nasdaq Global Market under the symbol “BNZI.” Our warrants, each exercisable for one share of Class A Common Stock at a price of \$11.50 per share, originally issued in the IPO (the “Public Warrants”), are currently listed on The Nasdaq Global Market under the symbol “BNZIW.”

The rights of holders of our Class A Common Stock and Public Warrants are governed by our second amended and restated certificate of incorporation (the “Charter”), our second amended and restated bylaws (the “Bylaws”) and the Delaware General Corporation Law (the “DGCL”), and, in the case of the Public Warrants, the Warrant Agreement, dated December 22, 2020 (the “Warrant Agreement”), between 7GC and the Continental Stock Transfer & Trust Company, as the warrant agent. See the sections entitled “Description of our Securities” and “Certain Relationships and Related Party Transactions.”

### **Background**

#### ***Business Combination***

We were originally known as 7GC & Co. Holdings Inc. On December 14, 2023, 7GC consummated the Business Combination with Legacy Banzai pursuant to the Merger Agreement. In connection with the Closing of the Business Combination, 7GC changed its name to Banzai International, Inc. Legacy Banzai was deemed to be the accounting acquirer in the Mergers based on an analysis of the criteria outlined in Accounting Standards Codification 805. While 7GC was the legal acquirer in the Mergers, because Legacy Banzai was deemed the accounting acquirer, the historical financial statements of Legacy Banzai became the historical financial statements of the combined company upon the consummation of the Mergers. The Business Combination is described in further detail in the section titled “Business” beginning on page 77.

## ***Material Agreements in Connection with the IPO and Business Combination***

### *Cohen Engagement Letter*

On June 14, 2023, 7GC entered into an engagement, as amended by an amendment to such engagement letter, dated December 12, 2023, and a second amendment, dated December 27, 2023 (as amended, the “Cohen Engagement Letter”) with J.V.B. Financial Group, LLC acting through its Cohen & Company Capital Markets Division (“Cohen”). Pursuant to the Cohen Engagement Letter, Cohen agreed to act as 7GC’s capital markets advisor in connection with seeking extension of the date by which 7GC was required to consummate its initial business combination and in connection with an initial business combination with an unaffiliated third party, as well as to act as placement agent, on a non-exclusive basis, in connection with any private placement of equity, convertible and/or debt securities or other capital or debt raising transaction in connection with an initial business combination, in exchange for the right to receive (x) an advisory fee of approximately 2,100 shares of Class A Common Stock following the Closing, and (y) a transaction fee in an aggregate amount equal to \$207,000. On December 27, 2023, Cohen received 2,100 shares of Class A Common Stock pursuant to the terms of the Cohen Engagement Letter.

### *Non-Redemption Agreements*

On June 22, 2023, 7GC and its sponsor, 7GC & Co. Holdings LLC, a Delaware limited liability company (the “Sponsor”), entered into certain non-redemption agreements (the “Non-Redemption Agreements”) with certain unaffiliated third party stockholders of 7GC in exchange for such parties agreeing either not to request redemption, or to reverse any previously submitted redemption demand, with respect to an aggregate of 77,930 shares of 7GC’s Class A common stock, par value \$0.0001 (“7GC Class A Common Stock”), sold in the initial public offering (“IPO”) of 7GC in connection with a special meeting called by 7GC to, among other things, approve an amendment to 7GC’s amended and restated certificate of incorporation (the “Extension Amendment”) to extend the date by which the Company was required to (i) consummate an initial business combination, (ii) cease all operations except for the purpose of winding up, and (iii) redeem or repurchase 100% of the 7GC Class A Common Stock included as part of the units sold in the IPO, from June 28, 2023 to December 28, 2023 (the “Extension”). In consideration of the foregoing agreement, immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 7,930 shares of 7GC Class B common stock, par value \$0.0001 (“7GC Class B Common Stock and, together with 7GC Class A Common Stock, the “7GC Common Stock”) and (ii) the Company issued to such parties 7,930 shares of Class A Common Stock.

### *Sponsor Forfeiture Agreement*

On August 4, 2023, 7GC, the Sponsor and Legacy Banzai entered into a Sponsor Forfeiture Agreement (the “Sponsor Forfeiture Agreement”), pursuant to which, at the Closing, all 147,000 of the Sponsor’s private placement warrants to purchase shares of 7GC Class A Common Stock, exercisable at \$575.00 per share (the “Forfeited Private Placement Warrants”) were transferred from the Sponsor to 7GC for cancellation in exchange for no consideration, and 7GC retired and cancelled all of the Forfeited Private Placement Warrants.



### *7GC Promissory Notes*

On December 12, 2023, in connection with the Business Combination, the Sponsor came to a non-binding agreement with 7GC to amend the optional conversion provision of that certain (i) unsecured promissory note, dated as of December 21, 2022 (the “7GC 2022 Promissory Note”), issued by 7GC to the Sponsor, pursuant to which 7GC may borrow up to \$2,300,000 from the Sponsor, and (ii) unsecured promissory note, dated as of October 3, 2023 (the “7GC 2023 Promissory Note” and, together with the 7GC 2022 Promissory Note, the “7GC Promissory Notes”), issued by 7GC to the Sponsor, pursuant to which 7GC may borrow up to \$500,000 from the Sponsor, to provide that the Sponsor has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the Closing at a conversion price equal to the average daily volume weighted average price (“VWAP”) of Class A Common Stock for the 30 trading days following the Closing. On February 2, 2024, the Company issued 17,812 shares of Class A Common Stock to the Sponsor pursuant to conversion of the full amount of the principal balance of the 7GC Promissory Notes.

### *Seaport Fee Agreement*

On November 30, 2023, Seaport Global Securities LLC (“Seaport”) and 7GC entered into an engagement letter (the “Seaport Engagement Letter”), pursuant to which Seaport agreed to provide 7GC with certain advisory services in connection with the Business Combination, in exchange for the receipt of 1,000 shares of Class A Common Stock at the Closing. On February 2, 2024, the Sponsor transferred 1,000 shares of Class A Common Stock to Seaport, satisfying the amount of shares to be received by Seaport in accordance with the Seaport Engagement Letter.

### *Cantor Fee Agreement*

On November 8, 2023, Cantor Fitzgerald & Co. (“Cantor” or “CF&CO”) and 7GC entered into a fee reduction agreement, as amended by the amendment to fee reduction agreement, dated December 28, 2023 (as amended, the “Fee Reduction Agreement”), pursuant to which Cantor agreed to forfeit \$4,050,000 of the aggregate of \$8,050,000 of deferred underwriting fees payable (“Original Deferred Fee”), with the remaining \$4,000,000 payable by 7GC to Cantor (the “Reduced Deferred Fee”) following the Closing of the Business Combination. Pursuant to the Fee Reduction Agreement, the Reduced Deferred Fee was payable in the form of 22,279 shares of Class A Common Stock (the “Cantor Fee Shares”) and to provide that Cantor is subject to a 12-month lock-up with respect to the Cantor Fee Shares. On December 28, 2023, the Company issued the Cantor Fee Shares to Cantor, covering the Reduced Deferred Fee in accordance with the Fee Reduction Agreement. Pursuant to the Fee Reduction Agreement, the Company also agreed to use its reasonable best efforts to have a registration statement declared effective by the SEC by the 120th calendar day after December 29, 2023, and to maintain the effectiveness of such registration statement until the earliest to occur of (i) the second anniversary of the date of the effectiveness thereof, (ii) the Cantor Fee Shares shall have been sold, transferred, disposed of or exchanged by Cantor, and (iii) the Cantor Fee Shares issued to Cantor may be sold without registration pursuant to Rule 144 under the Securities Act (such obligations, the “Cantor Registration Rights Obligations”).

### *Roth Agreements*

On October 13, 2022, Roth Capital Partners, LLC (“Roth”) and Legacy Banzai entered into an engagement letter (the “Roth Engagement Letter”), pursuant to which Legacy Banzai engaged Roth as a financial advisor in connection with the Business Combination and, on October 14, 2022, MKM Partners, LLC (“MKM”) and 7GC entered into an engagement letter (the “MKM Engagement Letter”), pursuant to which 7GC engaged MKM as a financial advisor in connection with the Business Combination. In February 2023, Roth acquired MKM. Pursuant to that certain addendum to letter agreements (the “Roth Addendum” and, together with the Roth Engagement Letter and the MKM Engagement Letter, the “Roth Agreements”) by and between the Company and Roth, effective as of February 2, 2024, the Company and Roth agreed that, in lieu of payment in cash of the full amount of any advisory fees or other fees or expenses owed under the Roth Engagement Letter and the MKM Engagement Letter (collectively, the “Roth Fee”), the Company shall (i) issue to Roth 3,500 shares of Class A Common Stock (the “Roth Shares”) and include such Roth Shares in a registration statement and (ii) on or before June 30, 2024, pay to Roth an amount in cash equal to \$300,000 or, if the Company determines that such payment should not be made in cash due to the Company’s cash position at such time, issue to Roth a number of shares of Class A Common Stock equal to \$300,000 divided by the VWAP for the trading day immediately preceding June 30, 2024 (any such shares, the “Additional Roth Shares”). Additionally, pursuant to the Roth Addendum, the Company was required to include another 12,000 shares of Class A Common Stock (in addition to the Roth Shares) in a registration statement to cover any such issuances of Additional Roth Shares (which may be more or less than 12,000) that may occur pursuant to the Roth Addendum. On February 2, 2024, the Company issued Roth Shares to Roth.

## ***Material Financing Arrangements***

### *SEPA*

On December 14, 2023, the Company entered into that certain standby equity purchase agreement (the “Original SEPA”) with Legacy Banzai and YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP (“Yorkville”). Pursuant to the Original SEPA, subject to certain conditions, the Company has the option, but not the obligation, to sell to Yorkville, and Yorkville must subscribe for, an aggregate amount of up to \$100 million of Class A Common Stock, at the Company’s request (each such request, an “Advance Notice,” and each issuance and sale of shares of Class A Common Stock pursuant to an Advance Notice, an “Advance”) any time during the commitment period terminating on the 36-month anniversary of the Original SEPA; provided that any Advance Notice may only be made if (x) no amount remains outstanding on the promissory notes made by the Company in favor of Yorkville, convertible into shares of Class A Common Stock (each, a “Yorkville Promissory Note” and, collectively, the “Yorkville Promissory Notes”), (y) there is an effective registration statement (any such registration statement, a “Resale Registration Statement”) filed with the U.S. Securities and Exchange Commission (“SEC”) for the resale under the Securities Act of 1933, as amended (the “Securities Act”), of the shares of Class A Common Stock to be issued pursuant to such Advance Notice, and (z) other customary conditions precedent. Additionally, at any time during the commitment period, provided there is a balance remaining outstanding under a Yorkville Promissory Note, Yorkville may deliver a notice to the Company (each such notice, an “Investor Notice”), causing an Advance Notice to be deemed delivered to Yorkville, subject to certain conditions. The price at which we may issue and sell shares pursuant to an Advance under the SEPA (as defined below) may be at either (a) 95% of the average VWAP of Class A Common Stock for the period commencing on the receipt of the Advance Notice by Yorkville and ending on 4:00 p.m. Eastern Time on the applicable date of the Advance Notice (“Pricing Option 1”) or (b) 96% of the lowest daily VWAP of Class A Common Stock during the three consecutive trading days commencing on the date of the Advance Notice to Yorkville (“Pricing Option 2”), provided that we are subject to certain caps on the amount of shares of Class A Common Stock that we may sell pursuant to any Advance. The SEPA is not assignable.

In connection with the execution of the Original SEPA, the Company paid a structuring fee (in cash) to Yorkville in the amount of \$35,000. Additionally, (a) Legacy Banzai issued to Yorkville immediately prior to the Closing such number of shares of Legacy Banzai Class A Common Stock such that upon the Closing, Yorkville received 6,000 shares of Class A Common Stock (the “Yorkville Closing Shares”) as a holder of Legacy Banzai Class A Common Stock, and (b) the Company paid a commitment fee of \$500,000 to Yorkville on March 14, 2024 in Class A Common Stock through an Advance.

Additionally, Yorkville agreed to advance to the Company the principal amount of \$3.5 million, which was subsequently increased pursuant to a supplemental agreement, dated February 5, 2024, by and between the Company and Yorkville (the “SEPA Supplemental Agreement” and, together with the Original SEPA, the “SEPA”), by \$1.0 million to an aggregate principal amount of \$4.5 million (the “Pre-Paid Advance”). The first payment of the Pre-Paid Advance in a principal amount of \$2.0 million (less a 10% discount) was advanced at the Closing and was evidenced by the issuance by the Company on December 14, 2023 of a Yorkville Promissory Note having a principal amount of \$2.0 million, the second payment of the Pre-Paid Advance of \$1.0 million (less a 10% discount) was advanced on February 5, 2024 and is evidenced by the issuance by the Company on February 5, 2024 of a Second Yorkville Promissory Note having a principal amount of \$1.0 million, and the third payment of the Pre-Paid Advance of \$1.5 million (less a 10% discount) was advanced on March 26, 2024 and is evidenced by the issuance by the Company on March 26, 2024 of a Third Yorkville Promissory Note having a principal amount of \$1.5 million.

The outstanding Yorkville Promissory Notes were each issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act and are convertible at a conversion price equal to the lower of (i) \$103.83 per share or (ii) 90% of the lowest daily VWAP during the ten consecutive trading days immediately preceding the conversion date (but no lower than the “floor price” then in effect, which is \$14.70, subject to adjustment from time to time in accordance with the terms contained in the Yorkville Promissory Notes).

Also on December 14, 2023, in connection with the Original SEPA, the Company entered into a registration rights agreement with Yorkville, subsequently amended by the SEPA Supplemental Agreement (as amended, the “Yorkville Registration Rights Agreement”), pursuant to which the Company agreed to file a Resale Registration Statement with the SEC for the resale under the Securities Act by Yorkville of an amount of shares of Class A Common Stock that is at least such number as is equal to the quotient of \$4.5 million divided by the lowest VWAP over the ten trading days prior to the filing of the first pre-effective amendment to the Resale Registration Statement, multiplied by two. The Company agreed to maintain the effectiveness of such Resale Registration Statement.

On May 28, 2024, we and Yorkville entered into the Amended and Restated Debt Repayment Agreement (as defined below). Please see “-Recent Developments” and “Description of Securities - Yorkville SEPAs” for more information.

On December 29, 2023, we filed a registration statement on Form S-1 (File No. 333-276307) with the SEC to register up to 114,526 shares of Class A Common Stock issuable pursuant to Advances under the SEPA; the registration statement was declared effective on February 2, 2024 (the “Prior SEPA Registration Statement”). We filed another registration statement to register for resale, an additional 25,000,000 shares of Class A Common Stock issuable pursuant to Advances under the SEPA on September 20, 2024. As of the date hereof, the Company has repaid \$3,750,000 of the Yorkville Advance through the issuance of an aggregate of 5.7M shares of Class A Common Stock and made a cash payment of \$750,000. Accordingly, approximately there is no balance on the Yorkville Advance, and only 502 shares remain available under the Prior SEPA Registration Statement.

#### *Share Transfer Agreements and Alco Promissory Notes*

In connection with the Business Combination, Legacy Banzai issued to Alco, a Subordinated Promissory Note on September 13, 2023 (the “September Alco Note”), a Subordinated Promissory Note on November 16, 2023 (the “November Alco Note”), and a Subordinated Promissory Note on December 13, 2023 (the “December Alco Note,” and collectively with the September Alco Note and the November Alco Note, the “Alco Notes”).

On December 13, 2023, in connection with the Business Combination, 7GC and the Sponsor entered into a share transfer agreement (the “December Share Transfer Agreement”) with Alco, pursuant to which for each \$10.00 in principal borrowed under the New Alco Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three shares of Class A Common Stock, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 12,000. On October 3, 2023 and November 16, 2023, 7GC, the Sponsor, and Alco also entered into share transfer agreements, pursuant to which the Sponsor agreed to forfeit an aggregate of 4,500 shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive 4,500 shares of Class A Common Stock at (and contingent upon) the Closing (such share transfer agreements together with the December Share Transfer Agreement, the “Share Transfer Agreements”). Alco is subject to a 180-day lock-up period with respect to such shares of Class A Common Stock pursuant to the Share Transfer Agreements, subject to customary exceptions. Additionally, in connection with the December Share Transfer Agreement, (a) Legacy Banzai issued the New Alco Note to Alco in the aggregate principal amount of \$2.0 million, which bears interest at a rate of 8% per annum and will be due and payable on December 31, 2024, and (b) Legacy Banzai, Alco, and CP BF Lending LLC (“CP BF” or our “Lender”) agreed to amend that certain Subordinated Promissory Note issued by Legacy Banzai to Alco on September 13, 2023 in the aggregate principal amount of \$1.5 million to extend the maturity date from January 10, 2024 to September 30, 2024. Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 16,500 shares of the class B common stock of 7GC and (ii) the Company issued to Alco 16,500 shares of Class A Common Stock pursuant to the Share Transfer Agreements.

### *GEM Agreements*

On May 27, 2022, Legacy Banzai entered into a certain share purchase agreement (the “GEM Agreement”) with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, “GEM”), pursuant to which, among other things, upon the terms and subject to the conditions of the GEM Agreement, GEM was to purchase from Legacy Banzai (or its successor per the GEM Agreement) up to the number of duly authorized, validly issued, fully paid and non-assessable shares of common stock having an aggregate value of \$100,000,000. Further, on the date of public listing of Legacy Banzai, Legacy Banzai was required to make and execute a warrant granting GEM the right to purchase up to the number of common shares of Legacy Banzai that would be equal to 3% of the total equity interests, calculated on a fully diluted basis, and at an exercise price per share equal to the lesser of (i) the public offering price or closing bid price on the date of public listing or (ii) the quotient obtained by dividing \$650 million by the total number of equity interests.

On December 13, 2023, Legacy Banzai and GEM entered into that certain binding term sheet (the “GEM Term Sheet”) and, on December 14, 2023, a letter agreement (the “GEM Letter”), agreeing to terminate in its entirety the GEM Agreement by and between Legacy Banzai and GEM, other than with respect to the Company’s obligation (as the post-combination company in the Business Combination) to issue to GEM a warrant (the “GEM Warrant”) granting the right to purchase Class A Common Stock in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a \$2.0 million convertible debenture with a five-year maturity and 0% coupon, with the documentation of such debenture to be agreed upon and finalized promptly following the Closing.

At Closing, the GEM Warrant automatically became an obligation of the Company, and on December 15, 2023, the Company issued the GEM Warrant granting GEM the right to purchase 16,571 shares at an exercise price of \$324.50 per share, which will be adjusted downward to 105% of the per share consideration received in the prospectus filed on December 28, 2024 pursuant to anti-dilution price protections contained in those warrants (See “Description of Securities-Warrants-GEM Warrant”). The exercise price will be adjusted to 105% of the then-current exercise price if on the one-year anniversary date of the date of issuance, the GEM Warrant has not been exercised in full and the average closing price per share of Class A Common Stock for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026. The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of shares of Class A Common Stock for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of Class A Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of Class A Common Stock, or securities convertible into or exercisable or exchange for, shares of Class A Common Stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such Class A Common Stock or other securities. The issuance of shares of Class A Common Stock in this offering may cause such an adjustment in the exercise price of the GEM Warrant.

On February 5, 2024, the Company and GEM entered into a certain settlement agreement (the “GEM Settlement Agreement”), pursuant to which the Company and GEM agreed to settle the Company’s obligations under the GEM Term Sheet to issue the convertible debenture by substituting a cash payment of \$1.2 million and issuance of an unsecured promissory note (the “GEM Promissory Note”) in the amount of \$1.0 million, payable in monthly installments of \$100,000 beginning on March 1, 2024 with the final payment to be made on December 1, 2024. The GEM Promissory Note provides that, in the event the Company fails to make a required monthly payment when due, such monthly payment amount shall convert into the right of GEM to receive, and obligation of the Company to issue, an amount of shares of Class A Common Stock equal to the monthly payment amount divided by the VWAP of the trading day immediately preceding the applicable payment due date. In addition, the Company agreed to register on a registration statement 40,000 shares of Class A Common Stock that may be issuable under the terms of the GEM Promissory Note. The number of shares issuable upon conversion of the GEM Promissory Note may be less or more than 40,000, depending on the stock price of Class A Common Stock on the applicable calculation date.

#### *Senior Convertible Notes*

On February 19, 2021, Legacy Banzai issued a convertible promissory note (the “First Senior Convertible Note”) in an aggregate principal amount of \$1,500,000 to CP BF in connection with a loan agreement, dated February 19, 2021, between Legacy Banzai and CP BF (the “Loan Agreement”). On October 10, 2022, the Loan Agreement was amended, whereby CP BF waived payment by Legacy Banzai of four months of cash interest with respect to the term loan under the Loan Agreement in replacement for a convertible promissory note (the “Second Senior Convertible Note” and, together with the First Senior Convertible Note, the “Senior Convertible Notes”) issued by Legacy Banzai in an aggregate principal amount of \$321,345. On August 24, 2023, Legacy Banzai and CP BF entered into a forbearance agreement (the “Original Forbearance Agreement”), as amended by the First Amendment to Forbearance Agreement, dated as of December 14, 2023 (the “Forbearance Amendment” and, together with the Original Forbearance Agreement, the “Forbearance Agreement”), in connection with which they agreed to amend and restate the Senior Convertible Notes so that they would not convert at the Closing of the Business Combination as a “Change of Control.”

After Closing, the Senior Convertible Notes became convertible, at CP BF’s option on 5 days’ written notice to the Company, into shares of Class A Common Stock. The Senior Convertible Notes provide that, at all times after a SPAC Transaction (as defined in the Senior Convertible Notes), the conversion price for any such conversion is approximately \$4.35 per share (subject to adjustment as set forth therein).

#### **Recent Developments**

On August 29, 2024, we held a special meeting of securityholders (the “**Special Meeting**”). At the Special Meeting, the Company’s securityholders approved the proposal to amend our Second Amended and Restated Certificate of Incorporation to effect a reverse stock split with respect to the Company’s issued and outstanding Class A Common Stock, at a ratio of up to 1-for-50, with the final ratio and exact timing to be determined at the discretion of the Board of Directors. On September 10, 2024, our Board determined to effect a reverse stock split at a ratio of 1-for-50 (the “**Stock Split**”), and filed an amendment to our Second Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect same; the Stock Split is expected to be effective on September 19, 2024. A copy of the amendment is filed as Exhibit 3.3 attached hereto.

On May 22, 2024, we priced a “best efforts” public offering for the sale by the Company of an aggregate of 104,556 shares of our Class A common stock, 173,222 pre-funded warrants (the “**Pre-Funded Warrants**”), and 277,778 common warrants (the “**Common Warrants**”). The public offering price was \$9.00 per share and accompanying Common Warrant, or \$8.9950 per Pre-Funded Warrant and accompanying Common Warrant (the “**Best Efforts Offering**”). The Pre-Funded Warrants were exercisable immediately, and may be exercised at any time until all of the Pre-Funded Warrants are exercised in full, and have an exercise price of \$0.0050. The Common Warrants are exercisable immediately for a term of five years and have an exercise price of \$9.00. As of the date hereof, all Pre-Funded Warrants have been exercised.

A.G.P./Alliance Global Partners (“**AGP**”) acted as placement agent for the offering, pursuant to a placement agency agreement, dated May 22, 2024, between the Company and AGP (the “**Placement Agency Agreement**”). Under the Placement Agency Agreement, AGP received a cash fee of \$174,939 and warrants (the “**Placement Agent Warrants**”) to purchase 16,667 shares of our Class A Common Stock at an exercise price per share equal to \$10.00. The offering closed on May 28, 2024.

On May 22, 2024, the Company and YA II PN, Ltd. (“**Yorkville**”) entered into an Amended and Restated Debt Repayment Agreement (the “**Amended Debt Repayment Agreement**”) with respect to the unsecured promissory note in the principal amount of \$2,000,000 issued to Yorkville on December 14, 2023 (the “**December Promissory Note**”) and the unsecured promissory note in the principal amount of \$1,500,000 issued to Yorkville on March 26, 2024 (the “**March Promissory Note**,” together with the December Promissory Note, the “**Promissory Notes**”). The Amended Debt Repayment Agreement amends and restates the Debt Repayment Agreement, dated as of May 3, 2024, by and between the Company and Yorkville. The Company issued the Promissory Notes pursuant to a Standby Equity Purchase Agreement, dated as of December 14, 2023, by and among Yorkville and the Company, as amended from time to time (the “**SEPA**”). As of the date hereof, there is no outstanding balance under the Promissory Notes.

Under the Amended Debt Repayment Agreement, Yorkville agreed that, upon completion of the Best Efforts Offering and repayment of an aggregate \$750,000 outstanding under the Promissory Notes from the proceeds from the Best Efforts Offering (the “**Repayment Amount**”), Yorkville would not to deliver to the Company any Investor Notice (as defined in the SEPA) and will not exercise its right to convert the remainder of the amount outstanding under the Promissory Notes for a period commencing on May 28, 2024 and ending on August 26, 2024; provided that the Company will seek any consents necessary to allow Yorkville to issue Investor Notices or exercise its right to convert the remainder of the amount outstanding under the Promissory Notes after a period of 60 days following the closing of the Best Efforts Offering. Under the Amended Debt Repayment Agreement, the Company and Yorkville also agreed to extend the maturity date of the Promissory Notes to September 25, 2024 and to satisfy the \$75,000 payment premium due in connection with an early redemption through the issuance of an Advance Notice (as defined in the SEPA) for shares of Class A Common Stock.

On August 6, 2024, we received a written notice (the “**Notice**”) from the Listing Qualifications Department of The Nasdaq Stock Market LLC (“**Nasdaq**”) indicating that the Company has failed to comply with Nasdaq’s \$50 million minimum “Market Value of Listed Securities” requirement set forth in Nasdaq Listing Rule 5450(b)(2)(A).

Pursuant to the Notice, the Company requested a hearing before The Nasdaq Hearings Panel (the “**Panel**”), which automatically stayed the suspension of trading on the Company’s securities, and the Company’s securities will continue to trade on The Nasdaq Global Market until the hearing process concludes and the Panel issues a written decision. The hearing was held on September 19, 2024. There can be no assurance that the Panel will grant the Company an additional extension period or that the Company will ultimately regain compliance with all applicable requirements for continued listing on The Nasdaq Global Market.

On April 3, 2024, we received a letter from the staff at Nasdaq notifying the Company that, for the 30 consecutive business days prior to the date of the letter, the Company's Class A common stock, par value \$0.0001 per share (the "**Common Stock**"), did not meet the minimum bid price of \$1.00 per share required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(a)(1). The letter is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of the Company's securities on Nasdaq.

In accordance with Nasdaq listing rule 5810(c)(3)(A), the Company has 180 calendar days, or until September 30, 2024 (the “**Bid Price Compliance Period**”), to regain compliance. The letter notes that to regain compliance, the Company’s Common Stock must maintain a minimum closing bid price of \$1.00 for at least ten consecutive business days at any time during the Bid Price Compliance Period. In the event the Company does not regain compliance by the end of the Bid Price Compliance Period, the Company may be eligible for additional time to regain compliance. To qualify for additional time, the Company must (i) submit a transfer application to transfer to the Nasdaq Capital Market, (ii) meet the continued listing requirement for the market value of its publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement and (iii) provide written notice of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary. If the Company meets these requirements, the Company may be granted an additional 180 calendar days to regain compliance. However, if it appears to Nasdaq that the Company will be unable to cure the deficiency, or if the Company is not otherwise eligible for the additional cure period, Nasdaq will provide written notice to the Company that its securities are subject to delisting. At that time, the Company may appeal any such delisting determination to a hearings panel.

The Company intends to actively monitor the Company’s bid price between now and September 30, 2024, and may, if appropriate, evaluate available options to resolve the deficiency and regain compliance with the minimum bid price requirement. While the Company is exercising diligent efforts to maintain the listing of its securities on Nasdaq, there can be no assurance that the Company will be able to regain or maintain compliance with Nasdaq listing standards. Please see “Risk Factors” for more information.

Also on April 3, 2024, the Company also received a letter from the staff at Nasdaq notifying the Company that, for the 30 consecutive business days prior to the date of the Letter, the Company’s Market Value of Publicly Held Shares (“**MVPHS**”) was below the minimum of \$15 million required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(b)(2)(C). The letter is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of the Company’s securities on Nasdaq.

In accordance with Nasdaq listing rule 5810(c)(3)(D), the Company has 180 calendar days, or until September 30, 2024 (the “**MVPHS Compliance Period**”), to regain compliance. The letter notes that to regain compliance, the Company’s MVPHS must close at or above \$15 million for a minimum of ten consecutive business days during the MVPHS Compliance Period. The letter further notes that if the Company is unable to satisfy the MVPHS requirement prior to such date, the Company may be eligible to transfer the listing of its securities to The Nasdaq Capital Market (provided that the Company then satisfies the requirements for continued listing on that market). If the Company does not regain compliance by the end of the MVPHS Compliance Period, Nasdaq staff will provide written notice to the Company that its securities are subject to delisting. At that time, the Company may appeal any such delisting determination to a hearings panel.

The Company intends to actively monitor the Company’s MVPHS between now and September 30, 2024, and may, if appropriate, evaluate available options to resolve the deficiency and regain compliance with the MVPHS requirement. While the Company is exercising diligent efforts to maintain the listing of its securities on Nasdaq, there can be no assurance that the Company will be able to regain or maintain compliance with Nasdaq listing standards. Please see “Risk Factors” for more information.

On February 5, 2024, the Company received a letter (the “**Letter**”) from the staff at Nasdaq notifying the Company that, for the 30 consecutive business days prior to the date of the Letter, the Company’s Minimum Value of Listed Securities (“**MVLS**”) was below the minimum of \$50 million required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(b)(2)(A). The staff at Nasdaq also noted in the Letter that the Company is not in compliance with Nasdaq Listing Rule 5450(b)(3)(A), which requires listed companies to have total assets and total revenue of at least \$50,000,000 each for the most recently completed fiscal year or for two of the three most recently completed fiscal years. The Letter is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of the Company’s securities on Nasdaq.

In accordance with Nasdaq listing rule 5810(c)(3)(C), the Company has 180 calendar days, or until August 5, 2024, to regain compliance. On August 6, 2024, the Company received a written notice (the “**Notice**”) from the Listing Qualifications Department of Nasdaq indicating that it failed to comply with the MVLS requirement. Pursuant to the Notice, unless the Company timely requests a hearing before The Nasdaq Hearings Panel (the “**Panel**”), its securities will be subject to suspension and delisting from The Nasdaq Global Market. The Company had a hearing before the Panel on September 19, 2024. The hearing automatically stayed the suspension of trading on the Company’s securities, and the Company’s securities will continue to trade on The Nasdaq Global Market until the hearing process concludes and the Panel issues a written decision. There can be no assurance that the Panel will grant the Company an additional extension period or that the Company will ultimately regain compliance with all applicable requirements for continued listing on The Nasdaq Global Market.

On September 16, 2024, the Company received a letter from Nasdaq regarding the Bid Price Deficiency, noting that as of September 12, 2024, the Company’s Common Stock had a closing bid price of \$0.10 or less for ten consecutive trading days and therefore the Company is subject to provisions contemplated under Listing Rule 5810(c)(3)(A)(iii) and that this serves as an additional basis for delisting.

The Company had a hearing before The Nasdaq Hearings Panel (the “Panel”), on September 19, 2024, at which the Panel was going to decide whether or not to suspend and delist the Company’s securities or provide additional time for the Company to satisfy the various Nasdaq listing rules in which the Company was deficient.

On September 26, 2024, Nasdaq provided the Company with its determination. The Panel determined to phase the Company down from The Nasdaq Global Market to The Nasdaq Capital Market and grant the Company an extension until January 31, 2025 to demonstrate compliance with Nasdaq’s listing rules, so long as the Company applies to list on The Nasdaq Capital Market on or before October 7, 2024 and demonstrates compliance with Listing Rules 5550(a)(2), 5550(a)(5) and 5550(b)(1) on or before January 31, 2024. The Panel reserved the right to reconsider the terms of the extension based on any event, condition or circumstance that exists or develops that would, in the opinion of the Panel, make continued listing of the Company’s securities on the Nasdaq Capital Market inadvisable or unwarranted.

The Company is working to file the application for The Nasdaq Capital Market and to reach compliance with all noted listing rules. However, there can be no assurance that the Company will be able to regain or maintain compliance with Nasdaq listing standards. Please see “Risk Factors” for more information.

Between January 1, 2024 and October 14, 2024, 111,024 shares of Class A Common Stock had been issued upon conversion of the Yorkville Promissory Notes and a cash payment of \$750,000.00 was made in May 2024. The aggregate principal amount was fully satisfied that no remaining outstanding balance under the Yorkville Promissory Notes as of October 14, 2024.

#### ***Debt Equitization Plan***

From August 23, 2024 to October 14, 2024 the Company entered into various agreements to reorganize outstanding debt from certain creditors (collectively, the “**Creditors**”) into shares of the Company’s Class A Common Stock (the “**Shares**”) (collectively, the “**Debt Reorganization**”). The Shares issued as part of the Debt Reorganization are a mix of Shares that we agreed to register in this registration statement on Form S-1 and Shares that are exempt from registration. As of October 14, the Company has issued an aggregate of 614,973 Shares to the Creditors in exchange for the cancellation of an aggregate of \$2,580,541.17 of debt.

#### ***Amended and Restated Repayment Agreement with J.V.B Financial Group, LLC***

On September 9, 2024, the Company entered into a Repayment Agreement (the “**Original J.V.B Agreement**”) with J.V.B Financial Group, LLC (“**J.V.B**”) acting through Cohen & Company Capital Markets Division (“**Cohen**”), pursuant to which the parties agreed that for services previously rendered valued at \$115,000.00 (the “**Outstanding Debt**”), the Company shall issue J.V.B. unrestricted, freely-trading, registered shares of Common Stock pursuant to a resale registration statement on Form S-1 or S-3. On September 9, 2024, the Company and J.V.B. entered into an Amended and Restated Repayment Agreement (the “**Amended J.V.B Agreement**”) that allowed for the Outstanding Debt to be paid through the issuance of 29,077 Shares to J.V.B. Under the Amended J.V.B. Agreement, the Company agreed to file a Registration Statement on Form S-1 with the SEC for the public resale of the Shares. The Company shall use reasonable best efforts to cause the Registration Statement (the “**Resale Registration Statement**”) to be filed within 90 days after the signing of the Amended J.V.B. Agreement. If the minimum price, as defined in the Amended J.V.B. Agreement, on the date the Resale Registration Statement is declared effective is less than \$0.0791, the Company will issue additional Shares to J.V.B within one business day to ensure the total value of the Shares is equal the debt owed.



*Repayment Agreement with Perkins Coie LLP*

On September 9, 2024, the Company entered into a Repayment Agreement with Perkins Coie LLP (“**Perkins**”) where the Company agreed to issue \$1,383,500.00 worth of Shares to Perkins (the “**Perkins Repayment Agreement**”); the Company agreed to register such shares in a registration statement on Form S-1 within 60 days of entering into the Perkins Repayment Agreement. Under the Perkins Repayment Agreement, the Company agrees to include no fewer than 460,000 Shares, subject to adjustment, in its next registration statement on Form S-1 or S-3 for public resale and will use reasonable best efforts to ensure the Registration Statement becomes effective promptly and remains effective until all Shares issued under the Perkins Repayment Agreement are sold.

*Addendum to Letter Agreements with Roth Capital Partners, LLC*

On October 5, 2022, the Company engaged Roth Capital Partners, LLC (“**Roth**”) to act as financial advisor to the Company in its then proposed business combination with 7GC & Co. Holdings, Inc. (“**7GC**”), pursuant to an agreement (the “**Roth Agreement**”). On October 14, 2022, 7GC entered into a similar agreement where MKM Partners, LLC, later acquired by Roth, would act as financial advisor to 7GC in its then proposed business combination with the Company (the “**7GC Agreement**”, together with the Roth Agreement, the “**Letter Agreements**”). On February 2, 2024, the Company entered into an Addendum to the Letter Agreements with Roth (the “**Addendum**”), where the Company agreed to pay the fees owed under the Roth Agreement and 7GC Agreement by (1) issuing to Roth 3,500 Shares and amending the Company’s registration statement on Form S-1 filed with the SEC on December 29, 2023 to include the initial 3,500 Shares to be issued, and 12,000 Shares that may be issued as additional shares, as defined in the Addendum, to Roth, and (2) on or before June 30, 2024, the Company shall pay to Roth an amount in cash equal to \$300,000 (the “**Cash Fee**”); provided that, if, as a result of the Company’s cash position at such time, the Company determines in its reasonable discretion that the cash payment should not be made in cash, then the Company may elect to satisfy the cash payment by issuing to Roth, within three business days of such date, additional Shares. The number of Shares to be issued pursuant to the Addendum shall be determined by dividing the amount of the cash payment by the VWAP for the trading day immediately preceding the cash payment date. On September 6, 2024, the Company issued 35,294 Shares to Roth in lieu of the Cash Fee. The Shares are exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, and are to be issued as restricted stock with an appropriate restrictive legend.

#### *Activate Agreement*

The Company owed Activate, Inc. \$261,000 for past services rendered. The parties agreed to write off 50% of that balance and for the remaining balance to be paid at the close of the Company's next capital raise.

#### *Floor Price Adjustment Agreement with Yorkville Advisors*

On September 20, 2024, the Company entered into a Floor Price Reduction Agreement (the "**Floor Price Reduction Agreement**") with YA II PN, LTD., a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP ("**Yorkville**"). On May 3, 2024, the Company entered into a debt repayment agreement with Yorkville (the "**Original Debt Repayment Agreement**") stating that \$2 million of the proceeds from a registered sale of Shares and warrants would be used to repay a portion of the principal and interest on outstanding promissory notes (the "**Outstanding Promissory Notes**"). In return, Yorkville agreed not to convert any portion of the debt into shares or issue an investor notice under their Standby Equity Purchase Agreement (the "**SEPA**") with Yorkville for 90 days (the "**Standstill Period**"). On May 22, 2024, the Company entered into an Amended Debt Repayment Agreement (the "**Amended Debt Repayment Agreement**"). Under the terms of the Amended Debt Repayment Agreement, the outstanding balance owed to Yorkville was reduced from \$2 million to \$750,000. Yorkville was still not allowed to convert debt into Shares or issue an investor notice for 90 days. On August 28, 2024, the Standstill Period ended, and Yorkville was free to resume delivering investor notices to convert outstanding debt into Shares. Due to the end of the Standstill Period and the Company's recent reverse stock split, at a ratio of 1-to-50, the Company and Yorkville, pursuant to the Floor Price Adjustment Agreement, agreed to amend and restate the prior repayment agreements such that the outstanding principal under the Amended Debt Repayment Agreement was reduced to \$0.7 million, with no remaining interest, the floor price, as described in the Outstanding Promissory Notes, was adjusted to \$2.00, and the maturity date for the Outstanding Promissory Notes is extended by 120 days to January 17, 2025.

#### *Repayment Agreement with Cooley LLP*

On September 19, 2024 the Company entered into a Repayment Agreement with Cooley LLP ("**Cooley**") for previously provided legal services (the "**Cooley Repayment Agreement**"). Under the Cooley Repayment Agreement, the Company's outstanding fees have been lowered from \$1,523,029.39 to \$400,000.00 (the "**Cooley Unpaid Fee**") in exchange for 11 monthly installments of \$36,300.00, with the first payment to be made on October 1, 2024. If payments are not made in accordance with the Repayment Agreement, Cooley retains the right to seek to collect the entire Cooley Unpaid Fee.

#### *Settlement Letter with CohnReznick LLP*

On September 19, 2024, the Company entered into a Settlement Letter with CohnReznick LLP ("**CohnReznick**") regarding the Company's unpaid balance totaling \$817,400.00 for services rendered in connection with the 7GC business combination with the Company (the "**Settlement Letter**"). Under the Settlement Letter, the Company and CohnReznick agreed to settle the total unpaid balance due, upon CohnReznick's receipt of \$450,000 (the "**Settlement Amount**"), which will be paid in 15 equal monthly installments of \$30,000.00. In consideration of the Settlement Letter, CohnReznick has agreed to not to pursue collection efforts now or at any time in the future, except as otherwise provided in the Settlement Letter.

#### *Repayment Agreement with Sidley Austin LLP*

On September 19, 2024, the Company entered into a Repayment Agreement with Sidley Austin LLP ("**Sidley**") for previously provided legal services (the "**Sidley Repayment Agreement**"). Under the Sidley Repayment Agreement, the Company's outstanding fees have been lowered from \$4,815,979.37 to \$1,605,326.00 (the "**Sidley Unpaid Fee**"). Under the Sidley Repayment Agreement, the Company agrees to 12 monthly payments that Sidley applies to the balance of the Sidley Unpaid Fee on a 2 for 1 basis, such that for every one dollar (\$1.00) paid by Company, Sidley shall reduce the Sidley Unpaid Fee Amount by an additional two dollars (\$2.00).

### *Repayment Agreement with Donnelley Financial LLC*

On September 13, 2024, the Company entered into a Repayment Agreement with Donnelley Financial LLC (“**Donnelley**”) for previously provided services (the “**Donnelley Repayment Agreement**”). Under the Donnelley Repayment Agreement, the Company’s outstanding fees have been lowered from \$1,072,147.75 to \$715,122.55 (the “**Donnelley Unpaid Fee**”). The Donnelley Unpaid Fee will be paid in 12 monthly installments, with the first monthly payment of \$45,000.00 due on October 1, 2024; the remaining 11 payments shall each be in the amount of \$28,365.93. Under the Donnelley Repayment Agreement, the Donnelley Unpaid Fee shall become immediately due and payable upon the occurrence of certain events, including failure to make a payment of the Donnelley Unpaid Fee when due and failure to pay for any additional services.

### *Repayment Agreement with Verista Partners, Inc.*

On August 26, 2024, the Company entered into a Repayment Agreement with Verista Partners, Inc. aka Winterberry Group, (“**Verista**” or “**Winterberry**”) for previously provided services (the “**Verista Repayment Agreement**”). Under the Verista Repayment Agreement, the Company’s outstanding fees are \$196,666.00 (the “**Verista Unpaid Fee**”). The Company and Verista have agreed that the Verista Unpaid Fee will be repaid with \$66,666.00 worth of Shares of the Company, and \$130,000.00 in 16 equal cash installment payments of \$8,125.00, beginning on October 1, 2024, and on the first day of each month thereafter through January 1, 2026.

A copy of the Transaction Documents are attached hereto as Exhibits and are incorporated by reference herein. The foregoing summaries of the terms of the Transaction Documents do not purport to be a complete description of each of the documents described in this report and are qualified in their entirety by such documents.

### *Alco and CP BF*

On February 19, 2021, the Company, along with Joe Davy and Demio, Inc. (the “**Guarantors**”), issued a convertible promissory note (the “**First Senior Convertible Note**”) in an aggregate principal amount of \$1,500,000 to CP BF Lending, LLC (“**CP BF**”) in connection with a loan agreement, dated February 19, 2021, between the Company and CP BF (the “**Loan Agreement**”). On October 10, 2022, the Loan Agreement was amended, whereby CP BF waived payment by the Company of four months of cash interest with respect to the term loan under the Loan Agreement in replacement for a convertible promissory note (the “**Second Senior Convertible Note**”) and, together with the First Senior Convertible Note, the “**Senior Convertible Notes**”) issued by the Company in an aggregate principal amount of \$321,345. On August 24, 2023, the Company and CP BF entered into a forbearance agreement (the “**Original Forbearance Agreement**”), as amended by the First Amendment to Forbearance Agreement, dated as of December 14, 2023 (collectively, the “**Forbearance Agreement**”), pursuant to which they agreed to amend and restate the Senior Convertible Notes so that they would not convert at the closing of a business combination as a “Change of Control” event. After the closing of the business combination that occurred on December 14, 2023, the Senior Convertible Notes became convertible, at CP BF’s option on 5 days’ written notice to the Company, into shares of the Company’s Class A Common Stock. The Senior Convertible Notes provide that, at all times after a SPAC Transaction (as defined in the Senior Convertible Notes), the conversion price for any such conversion is approximately \$4.35 per share, subject to adjustment as set forth therein.

As of September 23, 2024, the Company owed an aggregate of \$10,758,774.75 under the Senior Convertible Notes.

After Closing, the Senior Convertible Notes became convertible, at CP BF’s option on 5 days’ written notice to the Company, into shares of Class A Common Stock. The Senior Convertible Notes provide that, at all times after a SPAC Transaction (as defined in the Senior Convertible Notes), the conversion price for any such conversion is approximately \$4.35 per share (subject to adjustment as set forth therein).

On September 5, 2024, the Company entered into a Side Letter to the Loan Agreement whereby the Company agreed to enter into definitive transaction documents with CP BF and the Guarantors, whereby each agreed that substantially all of the outstanding obligations of the Company and Guarantors with regard to the Loan Agreement shall be consolidated and evidenced by a single convertible note (the “**Convertible Note**”), and that, absent an event of default, the Convertible Note shall accrue interest at a rate of 15.5%, which interest shall be paid in kind monthly (collectively, the “**Rate Reduction**”). In exchange for agreeing to the Rate Reduction, CP BF subscribed (the “**Subscription**”) for, and the Company agreed to issue to CP BF, 70,000 Shares; the Company also agreed to register those shares in a registration statement on Form S-1.

On September 23, 2024, the Company entered into such definitive transaction documents with CP BF, including a Securities Purchase Agreement (the “**CP BF SPA**”), a Registration Rights Agreement (the “**RRA**”), a Lock-Up Agreement (the “**Lock Up**”) and issued CP BF a Common Stock Purchase Warrant (the “**Warrant**”) and a Pre-Funded Warrant (the “**Pre-Funded Warrant**,” together with the CP BF SPA, RRA, Lock Up and Warrant, the “**CP BF Transaction Documents**”). Pursuant to the CP BF SPA, CP BF agreed to convert \$2,000,000 in debt into \$2,200,000 in equity, consisting of 260,849 shares of Class A Common Stock, Warrants to purchase up to 565,553 shares of Class A Common Stock and Pre-Funded Warrants to purchase up to 304,704 shares of Class A Common Stock (all such securities and shares collectively referred to as the “**CP BF Registrable Securities**”). Under the CP BF SPA, CP BF elected to purchase Pre-Funded Warrants in lieu of shares of Common Stock in such manner to result in them paying the full Subscription Amount (\$2,000,000) to the Company. The Warrant can be exercised at an initial exercise price of \$4.02 per share, subject to adjustment for a term of five years. The Pre-Funded Warrants will be exercisable at any time after the date of issuance at an exercise price of \$0.0001. Neither warrant may be exercised if the holder, together with its affiliates, would beneficially own more than 19.99% of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. Both warrants may be exercised via cash or cashless exercise.

Pursuant to the RRA, the Company agreed to file a registration statement to register the CP BF Registrable Securities and for the registration statement to become effective on or before December 9, 2024. Under the Lock-Up, the Company’s CEO, Joe Davy, agreed not to sell an aggregate of 2,311,143 shares of Class B Common Stock that he owns until such time as CP BF no longer owns any of the CP BF Registrable Securities. Under the terms of the CP BF SPA, for a period of 45 days after the date the related Registration Statement is filed, except for certain specified transactions, the Company may not issue or enter into any agreement to issue shares of common stock, without CP BF’s prior written consent; the Company is similarly prohibited from entering into any variable rate transactions for a period of 12 months.

Although the Note has a principal amount of \$10,758,774.75, taking into account the purchase and sale pursuant to the CP BF SPA, the Company continued to owe \$8,758,775 to CP BF. CP BF agreed to convert such debt into a consolidated convertible loan, evidenced by a convertible note (the “**Note**”), via the Second Amendment to Loan Agreement, dated as of September 23, 2024 (the “**Amended Loan Agreement**”). Pursuant to the Amended Loan Agreement, interest shall accrue as payable-in-kind at an annual interest rate of 15.5% per annum, which shall increase to 20% upon the occurrence of an event of default. The Company shall also pay CP BF a \$900 monthly servicing fee, which may increase by 7% annually if certain fees increase in cost and paid CP BF a one-time origination fee in the amount of \$160,000. The Amended Loan Agreement also provides certain instances in which the Company must prepay the loan. Until such time as the loan is paid in full, CP BF maintains the right to appoint one representative to the Company’s Board of Directors

to attend and observe the Board of Director meetings. Adding in a 1% exit fee on the Note, we agreed to register an aggregate of 2,279,271 shares of Class A Common Stock underlying the Note in the related registration statement. The Note may be converted into shares of the Company's Class A Common Stock at a conversion price of \$3.89 per share and matures on February 19, 2027.

On September 19, 2024, the Company and Alco agreed to convert \$4,708,099 of debt into \$5,178,908.90 in equity, on the same terms as set forth in the CP BF Transaction Documents (the "**Alco Transaction Documents**", together with the CP BF Transaction Documents, the "**Transaction Documents**"). Accordingly, Alco shall receive, and we agreed to register 282,420 shares of Class A Common Stock, Warrants to purchase up to 1,331,340 shares of Class A Common Stock and Pre-Funded Warrants to purchase up to 1,048,920 shares of Class A Common Stock (collectively, the "**Alco Securities**"). As consideration for the repayment of all of Alco's outstanding debt, \$470,809.90 was credited toward the purchase price of the Alco Securities.

A copy of the Transaction Documents are attached hereto as Exhibits and are incorporated by reference herein. The foregoing summaries of the terms of the Transaction Documents do not purport to be a complete description of each of the documents described in this report and are qualified in their entirety by such documents.

We initially filed a registration statement on Form S-1 (File No. 333-282306) on September 24, 2024 to register the shares of Class A Common Stock issuable to CP BF and Alco pursuant to the above mentioned agreements and the registration statement was declared effective on October 10, 2024.

### ***Recent Wainwright Private Financing***

On September 24, 2024, the Company entered into a securities purchase agreement (the “***Purchase Agreement***”) with an institutional investor for the issuance and sale in a private placement (the “***Private Placement***”) of (i) pre-funded warrants (“***Pre-Funded Warrants***”) to purchase up to 1,176,471 shares of the Company’s Class A common stock, par value \$0.0001 per share (the “***Common Stock***”), at an exercise price of \$0.001 per share, (ii) Series A warrants (the “***Series A Warrants***”) to purchase up to 1,176,471 shares of Common Stock, at an exercise price of \$4.00 per share, and (iii) Series B warrants (the “***Series B Warrants***”) and together with the Series A Warrants and the Placement Agent Warrants (defined below), the “***Warrants***”) to purchase up to 1,176,471 shares of Common Stock at an exercise price of \$4.00 per share. The Series A Warrants are exercisable immediately upon issuance and have a term of exercise equal to five years from the date of issuance. The Series B Warrants are exercisable immediately upon issuance and have a term of exercise equal to eighteen (18) months from the date of issuance. The combined purchase price per Pre-Funded Warrant and accompanying Warrants was \$4.249. The Private Placement closed on September 26, 2024.

A holder of the Pre-Funded Warrants and the Warrants may not exercise any portion of such holder’s Pre-Funded Warrants or Warrants to the extent that the holder, together with its affiliates, would beneficially own more than 4.99% (or, at the election of the holder, 9.99%) of the Company’s outstanding shares of Common Stock immediately after exercise, except that upon at least 61 days’ prior notice from the holder to the Company, the holder may increase the beneficial ownership limitation to up to 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the exercise. In the event of certain fundamental transactions, holders of the Warrants will have the right to receive the Black Scholes Value of their Warrants calculated pursuant to a formula set forth in the Warrants, payable either in cash or in the same type or form of consideration that is being offered and being paid to the holders of Common Stock.

In connection with the Private Placement, the Company entered into a registration rights agreement (the “***Registration Rights Agreement***”), dated as of September 24, 2024, with the investor, pursuant to which the Company agreed to prepare and file a registration statement on Form S-1 to register the resale of the shares of Common Stock underlying the Pre-Funded Warrants and the Warrants, and to use its best efforts to have the registration statement declared effective as promptly as practical thereafter, and in any event no later than forty-five (45) days following the date of the Registration Rights Agreement (or seventy-five (75) days following the date of the Registration Rights Agreement in the event of a “full review” by the SEC). The Company filed an initial registration statement on Form S-1 (File No. 333-282506) with the SEC on October 4, 2024.

The net proceeds to the Company from the Private Placement were approximately \$4.4 million, after deducting placement agent fees and estimated offering expenses payable by the Company. The Company intends to use the net proceeds received from the Private Placement to pay off in full its outstanding credit facility with Yorkville Advisors and for general corporate purposes and working capital.

H.C. Wainwright & Co., LLC (“***Wainwright***”) acted as the Company’s exclusive placement agent in connection with the Private Placement, pursuant to that certain engagement letter, dated as of September 12, 2024, as amended, between the Company and Wainwright (the “***Engagement Letter***”). Pursuant to the Engagement Letter, the Company paid Wainwright (i) a total cash fee equal to 7.5% of the aggregate gross proceeds of the Private Placement (inclusive of the gross proceeds to be received from the exercise of any Warrants), (ii) a management fee of 1.0% of the aggregate gross proceeds of the Private Placement (inclusive of the gross proceeds to be received from the exercise of any Warrants), and (iii) a non-accountable expense allowance of \$50,000. In addition, the Company issued to Wainwright or its designees warrants (the “***Placement Agent Warrants***”) to purchase up to an aggregate of 88,235 shares of Common Stock at an exercise price equal to \$5.3125 per share and, if any Warrants are exercised for cash will be obligated to issue to Wainwright additional Placement Agent Warrants equal to 7.5% of the total Warrants exercised, if any. The Placement Agent Warrants have substantially the same terms as the Warrants, are exercisable immediately upon issuance and have a term of exercise equal to five (5) years from the date of issuance.

Pursuant to the Purchase Agreement, the Company agreed not to issue any shares of Common Stock or Common Stock equivalents or to file any other registration statement with the SEC (in each case, subject to certain exceptions) until sixty (60) days after the effective date of the Registration Statement. The Company has also agreed not to effect any Variable Rate Transaction (as defined in the Purchase Agreement) until one (1) year after the effective date of the Registration Statement (subject to certain exceptions).

The Engagement Letter and the Purchase Agreement contain customary representations and warranties and agreements and obligations, conditions to closing and termination provisions. The foregoing descriptions of terms and conditions of the Purchase Agreement, the Pre-Funded Warrants, the Series A Warrants, the Series B Warrants, the Placement Agent Warrants, and the Registration Rights Agreement do not purport to be complete and are qualified in their entirety by the full text of the form of the Purchase Agreement, the form of the Pre-Funded Warrant, the form of the Series A Warrant, the form of the Series B Warrant, the form of the Placement Agent Warrant, and the form of the Registration Rights Agreement, which are attached hereto as Exhibits.

## **Risks Associated with Our Business**

Our ability to implement our business strategy is subject to numerous risks that you should be aware of before making an investment decision. These risks are described more fully in the section entitled “Risk Factors,” immediately following this prospectus summary. These risks include the following, among others:

### ***Risks Related to our Business and Industry***

- We have incurred significant operating losses in the past and may never achieve or maintain profitability.
- There is substantial doubt about our ability to continue as a going concern, and holders of our securities could suffer a total loss of their investment. We may need to raise additional capital to continue our operations. Such capital may not be available to us or may not be available at terms we deem acceptable, either of which could reduce our ability to compete and could negatively affect our business.
- We have a limited operating history with our current offerings, which makes it difficult to evaluate our current and future business prospects and increases the risk of your investment.
- Our revenue growth rate depends on existing customers renewing and maintaining or expanding their subscriptions, and if we fail to retain our customers at current or expanded subscriptions, our business will be harmed.
- If the assumptions, analyses, and estimates upon which our forecasts, projections and outlook are based prove to be incorrect or inaccurate, our actual results may differ materially from those forecasted or projected.
- We may not successfully develop or introduce new and enhanced products that achieve market acceptance, or successfully integrate acquired products or services with our existing products, and our business could be harmed and our revenue could suffer as a result.
- Our acquisitions of, and investments in, other businesses, products, or technologies may not yield expected benefits and our inability to successfully integrate acquisitions may negatively impact our business, financial condition, and results of operations.
- Our business, results of operations, and financial condition may fluctuate on a quarterly and annual basis, which may result in a decline in our stock price if such fluctuations result in a failure to meet any projections that we may provide or the expectations of securities analysts or investors.
- Because we recognize revenue from subscriptions for our product offerings over the terms of the subscriptions, our financial results in any period may not be indicative of our financial health and future performance.
- Covenant restrictions in our existing or future debt instruments may limit our flexibility to operate and grow our business, and if we are not able to comply with such covenants or pay amounts when due, our lenders could accelerate our indebtedness, proceed against certain collateral or exercise other remedies, which could have a material adverse effect on us.
- Cybersecurity and data security breaches and ransomware attacks may create financial liabilities for us, damage our reputation, and harm our business.
- Privacy and data security laws and regulations could impose additional costs and reduce demand for our solutions.
- Our ability to use our net operating loss to offset future taxable income may be subject to certain limitations.

- Adverse litigation results could have a material adverse impact on our business.
- Third parties may initiate legal proceedings alleging that we are infringing or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could harm our business.
- Our use of open source software could adversely affect our ability to offer our solutions and subject us to possible litigation.

***Risks Related to Offering and Ownership of Our Securities***

- In order to support the growth of our business and repay our indebtedness, we will need to seek capital through new equity or debt financings or incur additional indebtedness under our credit facilities, which sources of additional capital may not be available to us on acceptable terms or at all.
- Future sales of shares of Class A Common Stock may depress their stock price.
- Issuances of shares of our Class A Common Stock pursuant to any Advances under the SEPA and conversion of any amounts under the Yorkville Promissory Notes, exercise of the GEM Warrant and conversion of any amounts under the GEM Promissory Note, and conversion of any amounts under the Senior Convertible Notes (the “Notes”) would result in substantial dilution of our stockholders and may have a negative impact on the market price of our Class A Common Stock.
- The Nasdaq Stock Market LLC (“Nasdaq”) may delist our securities from trading on its exchange, which could limit investors’ ability to make transactions in our securities and subject us to additional trading restrictions.
- If our Class A Common Stock ceases to be listed on a national securities exchange it will become subject to the so-called “penny stock” rules that impose restrictive sales practice requirements.
- Our dual class common stock structure has the effect of concentrating voting power with our Chief Executive Officer and Co-Founder, Joseph Davy, which limits an investor’s ability to influence the outcome of important transactions, including a change in control.
- The market price of Class A Common Stock is likely to be highly volatile, and you may lose some or all of your investment. This volatility could also subject us to securities class action litigation.
- If securities or industry analysts do not publish research or reports about us, or publish negative reports, then our stock price and trading volume could decline.
- We have incurred and will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, results of operations, and financial condition.
- We have identified material weaknesses in our internal control over financial reporting in the past. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and stock price.

- Our executive officers and directors collectively beneficially own approximately 94.560% of the voting power of our outstanding Common Stock and have substantial control over us, which will limit your ability to influence the outcome of important transactions, including a change in control.
- We may issue additional shares of Common Stock or Preferred Stock, including under our equity incentive plan. Any such issuances would dilute the interest of our stockholders and likely present other risks.
- If certain holders of Class A Common Stock sell a significant portion of their securities, it may negatively impact the market price of the shares of Class A Common Stock and such holders still may receive significant proceeds.
- It is not possible to predict the actual number of shares we will sell under the SEPA, or the actual gross proceeds resulting from those sales. Further, we may not have access to any or the full amount available under the SEPA.

### **Corporate Information**

7GC, our predecessor company, was incorporated in the State of Delaware in September 2020 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving 7GC and one or more businesses. 7GC completed its IPO in December 2020. In December 2023, First Merger Sub merged with and into Legacy Banzai, and Legacy Banzai, as the Surviving Corporation, merged with and into Second Merger Sub, with Second Merger Sub being the surviving entity, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC. In connection with the Mergers, 7GC changed its name to Banzai International, Inc. Our principal executive offices are located at 435 Ericksen Ave NE, Suite 250, Bainbridge Island, WA 98110. Our telephone number is (206) 414-1777. Our website address is [www.banzai.io](http://www.banzai.io). Information contained on our website or connected thereto does not constitute part of, and is not incorporated by reference into, this prospectus or the registration statement of which it forms a part.

### **Implications of Being an Emerging Growth Company and a Smaller Reporting Company**

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). We will remain an emerging growth company under the JOBS Act until the earliest of (i) the last day of our first fiscal year (a) following the fifth anniversary of 7GC’s IPO (December 22, 2025), (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a “large accelerated filer” under the rules of the SEC with at least \$700.0 million of outstanding securities held by non-affiliates; and (ii) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period.

We are also a “smaller reporting company” as defined in the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as the market value of our voting and non-voting Common Stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and the market value of our voting and non-voting Common Stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

As a result, the information in this prospectus and that we provide to our investors in the future may be different than what you might receive from other public reporting companies.



## THE OFFERING

Issuer	Banzai International, Inc.
Shares of Common Stock offered by Selling Securityholder	<p>877,372 shares of Class A Common Stock, consisting of the following shares of Class A Common Stock issuable pursuant to the agreements related to the Debt Equitization Plan: (1) 600,000 shares issuable to Perkins; (2) 30,000 shares issuable pursuant to Winterberry; (3) 150,000 shares issuable to GEM; (4) 29,078 shares previously issued to J.V.B; (5) an aggregate of 23,294 shares previously issued to Roth; and (6) 45,000 shares previously issued to Hudson Global Venture LLC.</p> <p>We are registering an additional 15% of shares of Class A Common Stock to account for the additional shares that may be owed to the Selling Shareholders as a result of our changing stock price, since the number of shares issuable to the Selling Shareholders under the applicable Debt Equitization Plan agreement is based upon our stock price at the time of issuance, which is after this Registration Statement is declared effective. For purposes of this Registration Statement, to calculate the number of shares to register, we assumed the issuance date was October 9, 2024 and used a stock price of \$3.666 per share, which is the average of the closing price of our Class A Common Stock for the five trading days preceding October 9, 2024.</p>
Class A Common Stock outstanding on October 14, 2024	2,039,152
Use of proceeds	We will not receive any of the proceeds from the sale of shares of Class A Common Stock by the Selling Securityholders.
Risk factors	See the section entitled “Risk Factors” and other information included in this prospectus for a discussion of factors you should consider before investing in our securities.
Nasdaq Symbol	Our Class A Common Stock is currently traded on The Nasdaq Global Market under the symbol “BNZI.”

The number of shares of our Class A Common Stock that are and will be outstanding immediately before and after this registration statement is effective is based on 2,039,152 shares of our Class A Common Stock outstanding as of October 14, 2024, which excludes:

- 230,000 shares issuable upon exercise of outstanding Public Warrants with an exercise price of \$575.00;
- 16,571 shares issuable upon exercise of the GEM Warrant with an exercise price of \$324.50 per share, which will be adjusted downward to 105% of the per share consideration received in this offering pursuant to anti-dilution price protections contained within those warrants (See “Description of Securities-Warrants-GEM Warrant”);
- 121,661 shares issuable for repayment of GEM Promissory Noted based on a VWAP of \$3.864;
- 10,205 shares issuable upon exercise of outstanding stock options with a weighted average exercise price of \$253.99 granted through October 14, 2024;
- 12,959 shares issuable upon vesting of outstanding restricted stock units granted through October 14, 2024;
- 2,698,696 shares issuable upon conversion of Senior Convertible Notes;
- 2,311,134 shares issuable upon conversion of outstanding shares of Class B Common Stock;
- 277,778 shares issuable upon exercise of outstanding Common Stock Purchase Warrants with an exercise price of \$9.00; and
- 16,667 shares issuable upon exercise of Placement Agent Warrants issued pursuant to the “best efforts” public offering the Company completed in May 2024.

## RISK FACTORS

*Investing in our securities involves risks. Before you make a decision to buy our securities, in addition to the risks and uncertainties discussed above under “Cautionary Note Regarding Forward-Looking Statements,” you should carefully consider the specific risks set forth herein. If any of these risks actually occur, it may materially harm our business, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this prospectus or any prospectus supplement are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business.*

### **Risks Related to our Business and Industry**

*We have incurred significant operating losses in the past and may never achieve or maintain profitability.*

We have incurred significant operating losses since our inception, including operating losses of \$9.8 million, \$6.2 million, \$8.7 million and \$7.3 million in the years ended December 31, 2023, and 2022 and the six months ended June 30, 2024 and 2023, respectively. We expect our costs will increase substantially in the foreseeable future and our losses will continue as we expect to invest significant additional funds towards growing our business and operating as a public company and as we continue to invest in increasing our customer base, expanding our operations, hiring additional sales and other personnel, developing future products, and potentially acquiring complementary technology and businesses. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. We are unable to accurately predict when, or if, we will be able to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. To date, we have financed our operations principally from the sale of our equity, revenue from sales, and the incurrence of indebtedness. Our cash flow from operations was negative for the year ended December 31, 2023 and December 31, 2022 and the six months ended June 30, 2024 and June 30, 2023, respectively, and we may not generate positive cash flow from operations in any given period. If we are not able to achieve or maintain positive cash flow in the long term, we may require additional financing, which may not be available on favorable terms or at all and/or which would be dilutive to our stockholders. If we are unable to successfully address these risks and challenges as we encounter them, our business may be harmed. Our failure to achieve or maintain profitability or positive cash flow could negatively impact the value of our Class A Common Stock.

*There is substantial doubt about our ability to continue as a going concern, and holders of our securities could suffer a total loss of their investment. We may need to raise additional capital to continue our operations. Such capital may not be available to us or may not be available at terms we deem acceptable, either of which could reduce our ability to compete and could negatively affect our business.*

Management has concluded, and the report of our auditors included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Form 10-K”) reflect, that there is substantial doubt about our ability to continue as a going concern within 12 months after the date of the filing of the 2023 Form 10-K. The reaction of investors to the inclusion of a going concern statement by management and our auditors and our potential inability to continue as a going concern may materially adversely affect the price of our publicly traded securities and our ability to raise new capital or enter into partnerships. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that investors will lose all or part of their investment. Further, the perception that we may be unable to continue as a going concern may impede our ability to pursue strategic opportunities or operate our business due to concerns regarding our ability to fulfill our contractual obligations. In addition, if there remains substantial doubt about our ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding to us on commercially reasonable terms, or at all.

There can be no assurance that we will be able to achieve our forecast or to raise additional capital in sufficient amounts or on favorable terms, or at all. If we are unable to meet or exceed our forecast or raise adequate additional capital when required or in sufficient amounts or on terms acceptable to us, we may have to significantly reduce expenses, sell assets (potentially at a loss), cease operations altogether, pursue an acquisition of our company at a price that may result in up to a total loss on investment for our securityholders, file for bankruptcy or seek other protection from creditors, or liquidate all of our assets.

***We have a limited operating history with our current offerings, which makes it difficult to evaluate our current and future business prospects and increases the risk of your investment.***

While we served our first customer in 2017 (operating as Legacy Banzai), we have significantly altered our product offerings over the past few years. Our limited operating history with respect to our current product offerings makes it difficult to effectively assess or forecast our future prospects. For example, in 2021, we acquired Demio, a webinar platform startup, and integrated Demio's platform into our service offerings, and in 2023, we launched Boost, a tool used by Demio customers to enhance participation in their Demio webinars. You should consider our business and prospects in light of the risks and difficulties we encounter or may encounter. These risks and difficulties include our ability to cost-effectively acquire new customers, retain existing customers, and expand the scope of the platform we sell to new and existing customers. Furthermore, in pursuit of our growth strategy, we may enter into new partnerships to further penetrate our targeted markets and adoption of our solutions, but it is uncertain whether these efforts will be successful. If we fail to address the risks and difficulties that we may face, including those associated with the challenges listed above, our business, prospects, financial condition, and operating results may be materially and adversely harmed.

It is difficult to predict our future revenues and appropriately budget for our expenses, and we have limited insight into trends that may emerge and affect our business. In the event that actual results differ from our estimates or we adjust our estimates in future periods, our operating results and financial position could be materially affected.

***Our revenue growth rate depends on existing customers renewing and maintaining or expanding their subscriptions, and if we fail to retain our customers at current or expanded subscriptions, our business will be harmed.***

Our customers have no obligation to renew their subscriptions for our product offerings after the expiration of their subscription periods. Our customers may not renew. Our renewal and reactivation rates may decline because of a number of factors, including, among other things, customer dissatisfaction, customers' spending levels, decreased return on investment, increased competition, or pricing changes. If our customers do not renew their subscriptions or downgrade the products purchased under their subscriptions, our revenue may decline and our business may be harmed. Our future success also depends in part on existing customers expanding their subscriptions. If our efforts to sell upgrades to our customers are not successful, it may decrease our revenue growth rate.

***If we are unable to attract new customers on a cost-effective basis, our business will be harmed.***

To grow our business, we must continue to grow our customer base in a cost-effective manner. Increasing our customer base and achieving broader market acceptance of our product offerings will depend, to a significant extent, on our ability to effectively expand our sales and marketing activities. We may not be able to recruit qualified personnel, train them to perform, and achieve an acceptable level of sales production from them on a timely basis or at all. In addition, the cost to attract new customers may increase as we market our existing and new products to different market segments. If we are unable to maintain effective sales and marketing activities, our ability to attract new customers could be harmed, our sales and marketing expenses could increase substantially, and our business may be harmed. Further, to the extent there is a sustained general economic downturn and our customers and potential customers experience delays or reductions in general customer engagement technology spending, potential customers may be unwilling to take on the additional cost associated with adopting our product offerings as an alternative to their existing products or service providers, and if they choose to adopt our products, they may not purchase additional products and services in the future due to budget limitations.

***If we fail to effectively manage our growth, our business, results of operations, and financial condition would likely be harmed.***

We expect to continue to experience growth in our headcount and operations, which will continue to place significant demands on our management and our administrative, operational, and financial reporting resources. Our growth will require hiring additional employees and making significant expenditures, particularly in sales and marketing but also in our technology, professional services, finance, and administration teams. Our ability to effectively manage our growth will require the allocation of management and employee resources along with improvements to operational and financial controls and reporting procedures and systems. Our expenses may increase more than we plan, and we may fail to hire qualified personnel, expand our customer base, enhance our existing products, develop new products, integrate any acquisitions, satisfy the requirements of our existing customers, respond to competitive challenges, or otherwise execute our strategies. If we are unable to effectively manage our growth, our business, results of operations, and financial condition would likely be harmed.

***We may be unable to successfully execute on our growth initiatives, business strategies, or operating plans.***

We are continually executing on growth initiatives, strategies, and operating plans designed to enhance our business and extend our existing and future offerings to address evolving needs. The anticipated benefits from these efforts are based on several assumptions that may prove to be inaccurate. Moreover, we may not be able to successfully complete these growth initiatives, strategies, and operating plans and realize all of the benefits, including growth targets and cost savings, that we expect to achieve, or it may be more costly to do so than we anticipate. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include, among others, delays in the anticipated timing of activities related to such growth initiatives, strategies, and operating plans, increased difficulty and cost in implementing these efforts, including difficulties in complying with new regulatory requirements, the incurrence of other unexpected costs associated with operating our business, and lack of acceptance by our customers. Moreover, our continued implementation of these programs may disrupt our operations and performance. As a result, we cannot assure you that we will realize these benefits. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies, and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our business may be harmed.

***Any forecasts, projections or outlook we may provide are based upon certain assumptions, analyses, and estimates. If these assumptions, analyses, or estimates prove to be incorrect or inaccurate, our actual results may differ materially from those forecasted or projected.***

Any forecasts, projections or outlook, including projected annual recurring revenue, revenue growth, cost of goods sold, operating expense, gross margin, and anticipated organic and inorganic growth, are subject to significant uncertainty and are based on certain assumptions, analyses, and estimates, including with reference to third-party forecasts, any or all of which may prove to be incorrect or inaccurate. These may include assumptions, analyses, and estimates about future pricing, and future costs, all of which are subject to a wide variety of business, regulatory, and competitive risks and uncertainties. If these assumptions, analyses, or estimates prove to be incorrect or inaccurate, our actual results may differ materially from those forecasted or projected, and may adversely affect the value of our Class A Common Stock.

***If we fail to attract and retain qualified personnel, our business could be harmed.***

Our success depends in large part on our ability to attract, integrate, motivate, and retain highly qualified personnel at a reasonable cost on the terms we desire, particularly sales and marketing personnel, software developers, and technical and customer support. Competition for skilled personnel, particularly in the technology industry, is intense and we may not be successful in attracting, motivating, and retaining needed personnel. We also may be unable to attract or integrate into our operations qualified personnel on the schedule we desire. We have from time to time experienced, and we expect to continue to experience, difficulty in attracting, integrating, motivating, and retaining highly qualified personnel, which could harm our business. In addition, dealing with the loss of the services of our executive officers or other key personnel and the process to replace any of our executive officers or other key personnel may involve significant time and expense, take longer than anticipated, and significantly delay or prevent the achievement of our business objectives, which may harm our business.

***Our management team has a limited history working together operating the Company and, as a result, our past results may not be indicative of future operating performance.***

We have a limited history working together operating the Company, which makes it difficult to forecast our future results. You should not rely on our past quarterly operating results as indicators of future performance. In addition, you should consider and evaluate our prospects in light of the risks and uncertainties frequently encountered by companies in rapidly evolving markets like ours, as well as the information included in this prospectus.

***We may not successfully develop or introduce new and enhanced products that achieve market acceptance, or successfully integrate acquired products or services with our existing products, and our business could be harmed and our revenue could suffer as a result.***

Our ability to attract new customers and increase revenue from existing customers will likely depend upon the successful development, introduction, and customer acceptance of new and enhanced versions of our product offerings and on our ability to integrate any products and services that we may acquire, as well as our ability to add new functionality and respond to technological advancements. Moreover, if we are unable to expand our product offerings, our customers could migrate to competitors. Our business could be harmed if we fail to deliver new versions, upgrades, or other enhancements to our existing products to meet customer needs on a timely and cost-effective basis. Unexpected delays in releasing new or enhanced versions of our product offerings, or errors following their release, could result in loss of sales, delay in market acceptance, or customer claims against us, any of which could harm our business. The success of any new product depends on several factors, including timely completion, adequate quality testing, and market acceptance. We may not be able to develop new products successfully or to introduce and gain market acceptance of new solutions in a timely manner, or at all. If we are unable to develop new applications or products that address our customers' needs, or to enhance and improve our product offerings in a timely manner, we may not be able to maintain or increase customer use of our products.

***Our ability to introduce new products and features is dependent on adequate development resources. If we do not adequately fund our development efforts, we may not be able to compete effectively and our business and operating results may be harmed.***

To remain competitive, we must continue to develop new product offerings, applications, features, and enhancements to our existing product offerings. Maintaining adequate development personnel and resources to meet the demands of the market is essential. If we are unable to develop our product offerings internally due to certain constraints, such as high employee turnover, lack of management ability, or a lack of other research and development resources, we may miss market opportunities. Further, many of our competitors expend a considerably greater amount of funds on their development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' development programs. Our failure to maintain adequate development resources or to compete effectively with the development programs of our competitors could materially adversely affect our business.

***Our acquisitions of, and investments in, other businesses, products, or technologies may not yield expected benefits and our inability to successfully integrate acquisitions may negatively impact our business, financial condition, and results of operations.***

In the past, we have pursued acquisitions of technology and expertise to enhance the products and services we offer. For example, in 2021, we acquired webinar platform startup Demio and integrated Demio's platform into our service offerings. We anticipate that we will continue to make acquisitions of or investments in businesses, products, and technologies in the future. We may not realize the anticipated benefits, or any benefits, from our past or future acquisitions. In addition, if we finance acquisitions by incurring debt or by issuing equity or convertible or other debt securities, our then-existing stockholders may be diluted or we could face constraints related to the repayment of indebtedness. To the extent that the acquisition consideration is paid in the form of an earnout on future financial results, the success of such an acquisition will not be fully realized by us for a period of time as it is shared with the sellers. Further, if we fail to properly evaluate and execute acquisitions or investments, our business and prospects may be harmed and the value of your investment may decline. For us to realize the benefits of past and future acquisitions, we must successfully integrate the acquired businesses, products, or technologies with ours. Some of the challenges to successful integration of our acquisitions include:

- unanticipated costs or liabilities resulting from our acquisitions;
- retention of key employees from acquired businesses;
- difficulties integrating acquired operations, personnel, technologies, or products;
- diversion of management attention from existing business operations and strategy;
- diversion of resources that are needed in other parts of our business, including integration of other acquisitions;
- potential write-offs of acquired assets;
- inability to maintain relationships with customers and partners of the acquired businesses;
- difficulty of transitioning acquired technology and related infrastructures into our existing product offerings;
- difficulty maintaining security and privacy standards of acquired technology consistent with our existing products;
- potential financial and credit risks associated with the acquired businesses or their customers;
- the need to implement internal controls, procedures, and policies at the acquired companies;
- the need to comply with additional laws and regulations applicable to the acquired businesses; and
- the income and indirect tax impacts of any such acquisitions.

Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments and negatively impact our business, financial condition, and results of operations.

***We face significant competition from both established and new companies offering marketing, sales, and engagement software and other related applications, as well as internally developed software, which may harm our ability to add new customers, retain existing customers, and grow our business.***

The marketing, sales, customer service, operations, and engagement software market is evolving, highly competitive, and significantly fragmented. With the introduction of new technologies and the potential entry of new competitors into the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, maintain or increase renewals, and maintain our prices.

We face intense competition from other software companies that develop marketing, sales, customer service, operations, and engagement management software and from marketing services companies that provide interactive marketing services. Competition could significantly impede our ability to sell subscriptions to our products on terms favorable to us. Our current and potential competitors may develop and market new technologies that render our existing or future products less competitive or obsolete. In addition, if these competitors develop products with similar or superior functionality to our platform, we may need to decrease the prices or accept less favorable terms for our platform subscriptions in order to remain competitive. If we are unable to maintain our pricing due to competitive pressures, our margins will be reduced and our operating results will be negatively affected.

Our competitors include:

- Vimeo, Zoom, and GoToWebinar with respect to video platforms;
- Mailchimp and Constant Contact with respect to email marketing; and
- Marketo, Hubspot, and Braze with respect to marketing automation platforms.

We compete across five distinct categories within the B2B (as defined below) MarTech landscape: digital events and webinars, demand generation, creative development, engagement platforms and marketing automation, and measurement and attribution. Our current and potential competitors within any or all of such categories may have significantly more financial, technical, marketing, and other resources than we have, be able to devote greater resources to the development, promotion, sale, and support of their products and services, may have more extensive customer bases and broader customer relationships than we have, and may have longer operating histories and greater name recognition than we have. As a result, these competitors may respond faster to new technologies and undertake more extensive marketing campaigns for their products. In a few cases, these vendors may also be able to offer additional software at little or no additional cost by bundling it with their existing suite of applications. To the extent any of our competitors has existing relationships with potential customers for either marketing software or other applications, those customers may be unwilling to purchase our products because of their existing relationships with our competitor. If we are unable to compete with such companies, the demand for our product offerings could substantially decline.

In addition, if one or more of our competitors were to merge or partner with another of our competitors, our ability to compete effectively could be adversely affected. Our competitors may also establish or strengthen cooperative relationships with our current or future strategic distribution and technology partners or other parties with whom we have relationships, thereby limiting our ability to promote and implement our product offerings. We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our business.

***Our business, results of operations, and financial condition may fluctuate on a quarterly and annual basis, which may result in a decline in our stock price if such fluctuations result in a failure to meet any projections that we may provide or the expectations of securities analysts or investors.***

Our operating results have in the past and could in the future vary significantly from quarter-to-quarter and year-to-year and may fail to match our past performance, our projections, or the expectations of securities analysts because of a variety of factors, many of which are outside of our control and, as a result, should not be relied upon as an indicator of future performance. As a result, we may not be able to accurately forecast our operating results and growth rate. Any of these events could cause the market price of Class A Common Stock to fluctuate. Factors that may contribute to the variability of our operating results include:

- our ability to attract new customers and retain existing customers;
- the financial condition of our current and potential customers;
- changes in our sales and implementation cycles;
- introductions and expansions of our product offerings, offerings, or challenges with their introduction;
- changes in our pricing or fee structures or those of our competitors;
- the timing and success of new offering introductions by us or our competitors or any other change in the competitive landscape of our industry;

- increases in operating expenses that we may incur to grow and expand our operations and to remain competitive;
- our ability to successfully expand our business;
- breaches of information security or privacy;
- changes in stock-based compensation expenses;
- the amount and timing of operating costs and capital expenditures related to the expansion of our business;
- adverse litigation judgments, settlements, or other litigation-related costs;
- the cost and potential outcomes of ongoing or future regulatory investigations or examinations, or of future litigation;
- changes in our effective tax rate;
- our ability to make accurate accounting estimates and appropriately recognize revenue for our existing and future offerings;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- instability in the financial markets;
- general economic conditions, both domestic and international;
- volatility in the global financial markets;
- political, economic, and social instability, including terrorist activities and outbreaks of public health threats, such as coronavirus, influenza, or other highly communicable diseases or viruses, and any disruption these events may cause to the global economy; and
- changes in business or macroeconomic conditions.

The impact of one or more of the foregoing and other factors may cause our operating results to vary significantly. As such, we believe that quarter-to-quarter and year-to-year comparisons of our operating results may not be meaningful and should not be relied upon as an indication of future performance.

***Because we recognize revenue from subscriptions for our product offerings over the terms of the subscriptions, our financial results in any period may not be indicative of our financial health and future performance.***

We generally recognize revenue from subscription fees paid by customers ratably over the terms of their subscription agreements. As a result, most of the subscription revenue we report in each quarter is the result of agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter will not be fully reflected in our revenue results for that quarter. Any such decline, however, will negatively affect our revenue in future quarters. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as subscription revenue from new customers must be recognized over the applicable subscription terms.

***Our sales cycle can be lengthy and unpredictable, which may cause our operating results to vary significantly.***

Our sales cycle, which is the time between initial contact with a potential new customer and the ultimate sale to that customer, is often lengthy and unpredictable. Potential new customers typically spend significant time and resources evaluating product offering solutions, which requires us to expend substantial time, effort, and money educating them about the value of our platform. Accordingly, it is difficult for us to forecast when or if a sale will close or the size of any specific sales to new customers. In addition, customers may delay their purchases from one quarter to another as they wait for us to develop new features, assess their budget constraints, or forecast future business activity. Any delay in closing, or failure to close, sales in a particular quarter or year could significantly harm our projected growth rates and could cause our operating results to vary significantly.



***Covenant restrictions in our existing or future debt instruments may limit our flexibility to operate and grow our business, and if we are not able to comply with such covenants or pay amounts when due, our lenders could accelerate our indebtedness, proceed against certain collateral or exercise other remedies, which could have a material adverse effect on us.***

On February 19, 2021, we entered into the Loan Agreement with CP BF. The Loan Agreement contains a number of provisions that impose operating and financial restrictions which, subject to certain exceptions, limit our ability to, among other things: incur additional indebtedness, pay dividends or make distributions or redeem or repurchase our securities, make certain investments, grant liens on assets, sell or dispose of any material assets; and acquire the assets of, or merge or consolidate with, other companies. Additionally, the Loan Agreement contains affirmative covenants that require us to take, and have taken by certain dates, specific actions, some of which have not been satisfied. As a result, on August 24, 2023, we entered into the Original Forbearance Agreement, as amended by the Forbearance Amendment dated as of December 14, 2023, under which we acknowledged that we were in default of several obligations and such holder acknowledged such defaults and agreed, subject to certain conditions, not to exercise any right or remedy under the Loan Agreement, including its right to accelerate the aggregate amount outstanding under the Loan Agreement, until June 14, 2024.

Complying with these covenants, as well as those that may be contained in any future debt agreements, may limit our ability to finance our future operations or working capital needs or to take advantage of future business opportunities. Our ability to comply with these covenants will depend on our future performance, which may be affected by events beyond our control. If we do not maintain and regain compliance with our continuing obligations or any covenants, terms and conditions of the Loan Agreement, after the expiration of the Forbearance Agreement, we could be in default and required to repay outstanding borrowings on an accelerated basis, which could subject us to decreased liquidity and other negative impacts on our business, results of operations and financial condition. In the case of an event of default, we may not have sufficient funds available to make the required payments under the Loan Agreement and may not be able to borrow sufficient funds to refinance the Loan Agreement. Even if new financing is available, it may not be on terms that are acceptable to us. If we are unable to repay amounts owed under the terms of the Loan Agreement, our Lender may choose to exercise its remedies in respect to the collateral, including a foreclosure of their lien (which may result in a sale of certain of our assets to satisfy our obligations under the Loan Agreement or ultimately in a bankruptcy or liquidation). The foregoing would materially and adversely affect the ongoing viability of our business.

***The impacts of geopolitical, macroeconomic, and market conditions, including pandemics, epidemics and other public health crises, have had, and may continue to have, a significant effect on our industry, which in turn affects how we and our customers are operating our respective businesses. Our business is susceptible to declines or disruptions in the demand for meetings and events, including those due to economic downturns, natural disasters, geopolitical upheaval, and global pandemics.***

The macroeconomic impacts of geopolitical events, such as pandemics, inflation, labor shortages, lack of access to capital, lack of consumer confidence, supply chain disruptions, and market volatility can pose risks to our and our customers' business. Uncertainty about the duration of these negative macroeconomic conditions have impacted fiscal and monetary policy, including increases in interest rates, increased labor costs, and decreased corporate and consumer spending. The effects from a broadening or protracted extension of these conditions could result in a decrease in overall economic activity, hinder economic growth, or cause a recession in the United States or in the global economy. We sell our products throughout the United States, as well as in several international countries, commercial and non-profit customers. As a result, our business may be harmed by factors in the United States and other countries such as disruptions in financial markets; reductions in spending, or downturns in economic activity in specific countries or regions, or in the various industries in which we operate; social, political, or labor conditions in specific countries or regions; or adverse changes in the availability and cost of capital, interest rates, tax rates, or regulations. Further economic weakness and uncertainty may result in significantly decreased spending on our event marketing and management solutions, which may adversely affect harm our business.

Our business depends on discretionary corporate spending. Negative macroeconomic conditions may adversely affect our customers' businesses and reduce our customers' operating expense budgets, which could result in reduced demand for our product offerings or cancellations, increased demands for pricing accommodations or higher rates of delays in collection of, or losses on, our accounts receivable, which could adversely affect our results of operations and financial position. During periods of economic slowdown and recession, consumers have historically reduced their discretionary spending, and our ability to sign new customers, and to upsell to and renew contracts with our existing customers may be significantly impacted. Additionally, challenging economic conditions also may impair the ability of our customers to pay for products and services they have purchased. As a result, our cash flow may be negatively impacted and our allowance for credit losses and write-offs of accounts receivable may increase. If we are unable to offset any decrease in revenue by increasing sales to new or existing customers, or otherwise offset higher costs through price increases, our revenue may decline. The extent to which the ongoing impacts of these negative macroeconomic conditions will impact our business, results of operations, and financial position is uncertain and will depend on political, social, economic, and regulatory factors that are outside of our control, including actions that may be taken by regulators and businesses (including our customers) in response to the macroeconomic uncertainty. Our business and financial performance may be unfavorably impacted in future periods if a significant number of our customers are unable to continue as viable businesses or they significantly reduce their operating budgets, or if there is a reduction in business confidence and activity, a decrease in government, corporate and consumer spending, or a decrease in growth in the overall market, among other factors.

Our business and financial performance are affected by the health of the worldwide meetings and events industry. Meetings and events are sensitive to business-related discretionary spending levels and tend to grow more slowly or even decline during economic downturns. Decreased expenditures by marketers and participants could also result in decreased demand for our product offerings, thereby causing a reduction in our sales. The impact of economic slowdowns on our business is difficult to predict, but has and may continue to result in reductions in events and our ability to generate revenue.

***Cybersecurity and data security breaches and ransomware attacks may create financial liabilities for us, damage our reputation, and harm our business.***

Our customers provide us with information that our solutions store, some of which is confidential information. In addition, we store personal information about our employees. We have security systems and information technology infrastructure designed to protect against unauthorized access to such information and money, but we may not be successful in protecting against all security breaches and cyber-attacks. Threats to and breaches of our information technology security can take various forms, including viruses, worms, ransomware, and other malicious software programs, or actions or omissions by an employee. Significant cybersecurity or data security breaches could result in the loss of business, litigation, regulatory investigations, loss of customers, and penalties that could damage our reputation and adversely affect the growth of our business.

In some cases, we must rely on the safeguards put in place by third parties to protect against security threats. These third parties, including vendors that provide products and services for our operations and our network of business application providers, could also be a source of security risk to us in the event of a failure of their own security systems and infrastructure, whether unintentionally or through a malicious backdoor. We do not review the software code included in third-party integrations in all instances.

Because the techniques used to obtain unauthorized access, sabotage systems, or otherwise access data and/or data backups change frequently and generally are not recognized until launched against a target, we or these third parties have been and, in the future, may be unable to anticipate these techniques or to implement adequate preventative measures. With the increasing frequency of cyber-related frauds to obtain inappropriate payments, we need to ensure our internal controls related to authorizing the transfer of funds are adequate. We may also be required to expend resources to remediate cyber-related incidents or to enhance and strengthen our cyber security. Any of these occurrences could create liability for us, put our reputation in jeopardy, and harm our business.

***Privacy and data security laws and regulations could impose additional costs and reduce demand for our solutions.***

We store and transmit personal information relating to our employees, customers, prospective customers, and other individuals, and our customers use our technology platform to store and transmit a significant amount of personal information relating to their customers, vendors, employees, and other industry participants. Federal, state, and foreign government bodies and agencies have adopted, and are increasingly adopting, laws and regulations regarding the collection, use, processing, storage, and disclosure of personal or identifying information obtained from customers and other individuals. These obligations have and will likely continue to increase the cost and complexity of delivering our services.

In addition to government regulation, privacy advocates and industry groups may propose various self-regulatory standards that may legally or contractually apply to our business. As new laws, regulations, and industry standards take effect, and as we offer new services in new markets, market segments and, potentially, new industries, we will need to understand and comply with various new requirements, which may impede our plans for growth or result in significant additional costs. These laws, regulations, and industry standards have had, and will likely continue to have, negative effects on our business, including by increasing our costs and operating expenses, and/or delaying or impeding our deployment of new or existing core functionality. Failure to comply with these laws, regulations, and industry standards could result in negative publicity, subject us to fines or penalties, expose us to litigation, or result in demands that we modify or cease existing business practices. Furthermore, privacy and data security concerns may cause our customers' customers, vendors, employees, and other industry participants to resist providing the personal information necessary to allow our customers to use our applications effectively, which could reduce overall demand for our product offerings. Any of these outcomes could harm our business.

***Our product offerings, solutions, and internal systems, as well as external internet infrastructure, may be subject to disruption that could harm our reputation and future sales or result in claims against us.***

Because our operations involve delivering engagement solutions to our customers through a cloud-based software platform, our continued growth depends in part on the ability of our platform and related computer equipment, third-party data centers, infrastructure, and systems to continue to support our product offerings. In addition, in delivering our products to customers, we are reliant on internet infrastructure limitations. In the past, we have experienced temporary and limited platform disruptions, outages in our product functionality, and degraded levels of performance due to human and software errors, file corruption, and first and third-party capacity constraints associated with the number of customers accessing our products simultaneously. While our past experiences have not materially impacted us, in the future we may face more extensive disruptions, outages, or performance problems. In addition, malicious third parties may also conduct attacks designed to sabotage, impede the performance, or temporarily deny customers access to, our product offerings. If an actual or perceived disruption, outage, performance problem, or attack occurs, it could harm our reputation and the market perception of our product offerings; divert the efforts of our technical and management personnel; impair our ability to operate our business; cause us to lose customer information; or harm our customers' businesses. Any of these events may increase non-renewals, limit our ability to acquire new customers, result in delayed or withheld payments from customers, or result in claims against us.

***Undetected defects in our product offerings could harm our reputation or decrease market acceptance of our product offerings, which would harm our business and results of operations.***

Our product offerings may contain undetected defects, such as errors or bugs. We have experienced such defects in the past in connection with new solutions and solution upgrades, and we expect that such defects may be found from time to time in the future. Despite testing by us, defects may not be found in our product offerings until they are deployed to or used by our customers. In the past, we have discovered software defects in our product offerings after they have been deployed to customers.

Defects, disruptions in service, or other performance problems may damage our customers' business and could hurt our reputation. We may be required, or may choose, for customer relations or other reasons, to expend additional resources to correct actual or perceived defects in our product offerings. If defects are detected or perceived to exist in our product offerings, we may experience negative publicity, loss of competitive position, or diversion of the attention of our key personnel; our customers may delay or withhold payment to us or elect not to renew their subscriptions; other significant customer relations problems may arise; or we may be subject to liability claims for damages. A material liability claim or other occurrence that harms our reputation or decreases market acceptance of our product offerings may harm our business and results of operations.

***We rely on internet infrastructure, bandwidth providers, data center providers, other third parties, and our own systems for providing solutions to our customers, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation and negatively impact our relationships with customers, adversely affecting our brand and our business.***

Our ability to deliver our solutions is dependent on the development and maintenance of the infrastructure of the Internet and other telecommunications services by third parties. We currently host our technology platform, serve our customers and members, and support our operations primarily using third-party data centers and telecommunications solutions, including cloud infrastructure services such as Amazon Web Services ("AWS") and Google Cloud. We do not have control over the operations of the facilities of our data center providers, AWS, or Google Cloud. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures, and other events. The occurrence of a natural disaster or an act of terrorism, a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions in our product offerings. The facilities also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. Any errors, failures, interruptions, or delays experienced in connection with these third-party technologies and information services or our own systems could negatively impact our relationships with customers and harm our business and could expose us to third-party liabilities.

For some of these services, we may not maintain redundant systems or facilities. Our technology platform's continuing and uninterrupted performance is critical to our success. Members may become dissatisfied by any system failure that interrupts our ability to provide our solutions to them. We may not be able to easily switch our AWS and Google Cloud operations to another cloud service provider if there are disruptions or interference with our use of AWS or Google Cloud. Sustained or repeated system failures would reduce the attractiveness of our technology platform to customers and members and result in contract terminations, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our existing and future offerings. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. Neither our third-party data and call center providers nor AWS or Google Cloud have an obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with these providers on commercially reasonable terms, if our agreements with our providers are prematurely terminated, or if in the future we add additional data or call center providers or cloud service providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new providers. If these providers were to increase the cost of their services, we may have to increase the price of our existing and future offerings. Any such increased costs or pricing may have a negative effect on our customer relationships and may adversely affect our business and results of operations.

***If we fail to effectively maintain and enhance our brands, our business may suffer.***

We believe that continuing to strengthen our brands will be critical to achieving widespread acceptance of our product offerings and will require continued focus on active marketing efforts. Our brand awareness efforts will require continued investment across our business, particularly as we introduce new solutions that we develop or acquire and as we continue to expand in new markets. Brand promotion activities may not yield increased revenue, and even if they do, any increased revenue may not offset the expenses incurred in building our brand. If we fail to promote and maintain our brands, or if we incur substantial expense in an unsuccessful attempt to promote and maintain our brand, our business could be harmed.

***Any failure to offer high-quality customer support services could adversely affect our relationships with our customers and our operating results.***

Our customers depend on our support to assist with their needs. We may be unable to accurately predict our customers' demand for services or respond quickly enough to accommodate short-term increases in customer or member demand for services. Increased customer demand for our product offerings, without a corresponding increase in productivity or revenue, could increase costs and adversely affect our operating results. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could adversely affect our reputation, our ability to sell our product offerings to existing and prospective customers, our relationships with third parties and our ability to form new partnerships, and our business and operating results.

***Our ability to use our net operating loss to offset future taxable income may be subject to certain limitations.***

We have incurred substantial losses during our history and do not expect to become profitable in the near future and may never achieve profitability. Under current U.S. federal income tax law, unused losses for the tax year ended December 31, 2017 and prior tax years will carry forward to offset future taxable income, if any, until such unused losses expire, and unused federal losses generated after December 31, 2017 will not expire and may be carried forward indefinitely, but will be only deductible to the extent of 80% of current year taxable income in any given year. Many states have similar laws.

In addition, both current and future unused net operating loss ("NOL") carryforwards and other tax attributes may be subject to limitation under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in equity ownership by certain stockholders over a rolling three-year period. Additional ownership changes in the future could result in additional limitations on our NOL carryforwards. Consequently, even if we achieve profitability, we may not be able to utilize a material portion of our NOL carryforwards and other tax attributes, which could have a material adverse effect on cash flow and results of operations.

***We may need to make significant investments in software development and equipment to improve our business.***

To improve the scalability, security, performance, efficiency, availability, and failover aspects of our product offerings, and to support the expansion of our product offerings and stay competitive, we may need to make significant capital equipment expenditures and also invest in additional software and infrastructure development. If we experience increasing demand in subscriptions, we may not be able to augment our infrastructure quickly enough to accommodate such increasing demand. To reach the goal of supporting the increasing demand, we will need additional capital to make the investments in software development and equipment either through operations or through financing. Additionally, we are continually updating our software, creating expenses for us. We may also need to review or revise our software architecture and user experience as we grow, which may require significant resources and investments. Any of these factors could negatively impact our business and results of operations.

***Adverse litigation results could have a material adverse impact on our business.***

We are, have been, and may be involved in regulatory and government investigations and other proceedings, involving competition, intellectual property, data security and privacy, bankruptcy, tax and related compliance, labor and employment, commercial disputes, and other matters. Such claims, suits, actions, regulatory and government investigations, and other proceedings can impose a significant burden on management and employees, could prevent us from offering one or more of our products, services, or features to customers, could require us to change our technology or business practices, or could result in monetary damages, fines, civil or criminal penalties, reputational harm, or other adverse consequences. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. Litigation and other claims are subject to inherent uncertainties and management's view of the materiality or likely outcome of any such matters may change in the future. A material adverse impact in our consolidated financial statements could occur for the period in which the effect of an unfavorable outcome becomes probable and reasonably estimable.

***Failure to protect or enforce our intellectual property rights could harm our business and results of operations.***

To establish and protect our proprietary rights, we rely on a combination of trademarks and trade secrets, including know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights. As of December 31, 2023, we held two registered trademarks in the United States: Banzai and Demio. We believe that our intellectual property is an essential asset of our business. If we do not adequately protect our intellectual property, our brand and reputation could be harmed and competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our technology, and delay or render impossible our achievement of profitability. A failure to protect our intellectual property in a cost-effective and meaningful manner could have a material adverse effect on our ability to compete. We regard the protection of our intellectual property as critical to our success.

We strive to protect our intellectual property rights by relying on federal, state, and common law rights and other rights provided under foreign laws. These laws are subject to change at any time and could further restrict our ability to protect or enforce our intellectual property rights. In addition, the existing laws of certain foreign countries in which we operate may not protect our intellectual property rights to the same extent as do the laws of the United States.

We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with other parties, with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, we may not be successful in executing these agreements with every party who has access to our confidential information or contributes to the development of our intellectual property.

The agreements that we execute may be breached, and we may not have adequate remedies for any such breach. These contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our intellectual property or deter independent development of similar intellectual property by others.

Obtaining and maintaining effective intellectual property rights is expensive, including the costs of monitoring unauthorized use of our intellectual property and defending our rights. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. We strive to protect certain of our intellectual property rights through filing applications for trademarks, patents, and domain names in a number of jurisdictions, a process that is expensive and may not be successful in all jurisdictions. However, there is no assurance that any resulting patents or other intellectual property rights will adequately protect our intellectual property, or provide us with any competitive advantages. Moreover, we cannot guarantee that any of our pending patent or trademark applications will issue or be approved. Even where we have intellectual property rights, they may later be found to be unenforceable or have a limited scope of enforceability. In addition, we may not seek to pursue such protection in every jurisdiction. The United States Patent and Trademark Office also requires compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and after a patent has issued. Noncompliance with such requirements and processes may result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to develop and commercialize substantially similar and competing applications, which would harm our business.

We believe it is important to maintain, protect, and enhance our brands. Accordingly, we pursue the registration of domain names and our trademarks and service marks in the United States. Third parties may challenge our use of our trademarks, oppose our trademark applications, or otherwise impede our efforts to protect our intellectual property in certain jurisdictions. In the event that we are unable to register our trademarks in certain jurisdictions, we could be forced to rebrand our solutions, which would result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. Our competitors and others could also attempt to capitalize on our brand recognition by using domain names or business names similar to ours. Domain names similar to ours have been registered in the United States and elsewhere. We may be unable to prevent third parties from acquiring or using domain names and other trademarks that infringe on, are similar to, or otherwise decrease the value of, our brands, trademarks, or service marks. We also may incur significant costs in enforcing our trademarks against those who attempt to imitate our brand and other valuable trademarks and service marks.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. We may not be able to detect infringement or unauthorized use of our intellectual property rights, and defending or enforcing our intellectual property rights, even if successfully detected, prosecuted, enjoined, or remedied, could result in the expenditure of significant financial and managerial resources. Litigation has in the past and may be necessary in the future to enforce our intellectual property rights, protect our proprietary rights, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could harm our business. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, countersuits, and adversarial proceedings such as oppositions, inter partes review, post-grant review, re-examination, or other post-issuance proceedings, that attack the validity and enforceability of our intellectual property rights. An adverse determination of any litigation proceeding could adversely affect our ability to protect the intellectual property associated with our product offerings. Further, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. In addition, during the course of litigation there could be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of Class A Common Stock. If we fail to maintain, protect, and enhance our intellectual property rights, our business may be harmed and the market price of Class A Common Stock could decline.

Our competitors also may independently develop similar technology that does not infringe on or misappropriate our intellectual property rights. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our solutions or technology are developed. Further, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. The laws in the United States and elsewhere change rapidly, and any future changes could adversely affect us and our intellectual property. Our failure to meaningfully protect our intellectual property could result in competitors offering solutions that incorporate our most technologically advanced features, which could seriously reduce demand for existing and future offerings.

***Third parties may initiate legal proceedings alleging that we are infringing or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could harm our business.***

Our success depends in part on our ability to develop and commercialize our offerings and use our proprietary technology without infringing the intellectual property or proprietary rights of third parties. Intellectual property disputes can be costly to defend and may cause our business, operating results, and financial condition to suffer. As the MarTech industry in the United States expands and more patents are issued, the risk increases that there may be patents issued to third parties that relate to our offerings and technology of which we are not aware or that we must challenge to continue our operations as currently contemplated. Whether merited or not, we may face allegations that we, our partners, our licensees, or parties indemnified by us have infringed or otherwise violated the patents, trademarks, copyrights, or other intellectual property rights of third parties. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties.

Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the purpose of making claims of infringement and attempting to extract settlements from companies like ours. We may also face allegations that our employees have misappropriated the intellectual property or proprietary rights of their former employers or other third parties. It may in the future be necessary for us to initiate litigation to defend ourselves in order to determine the scope, enforceability, and validity of third-party intellectual property or proprietary rights, or to establish our respective rights. Regardless of whether claims that we are infringing patents or other intellectual property rights have merit, such claims can be time-consuming, divert management's attention and financial resources, and can be costly to evaluate and defend. Results of any such litigation are difficult to predict and may require us to stop commercializing or using our solutions or technology, obtain licenses, modify our solutions and technology while we develop non-infringing substitutes, or incur substantial damages, settlement costs, or face a temporary or permanent injunction prohibiting us from marketing or providing the affected solutions. If we require a third-party license, it may not be available on reasonable terms or at all, and we may have to pay substantial royalties, upfront fees, or grant cross-licenses to intellectual property rights for our solutions. We may also have to redesign our solutions so that they do not infringe third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time, during which our technology and solutions may not be available for commercialization or use. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not obtain a third-party license to the infringed technology, license the technology on reasonable terms, or obtain similar technology from another source, our revenue and earnings could be adversely impacted.

From time to time, we have been and may be subject to legal proceedings and claims in the ordinary course of business with respect to intellectual property. Some third parties may be able to sustain the costs of complex litigation more effectively than we can because they have substantially greater resources. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of Class A Common Stock. Moreover, any uncertainties resulting from the initiation and continuation of any legal proceedings could have a material adverse effect on our ability to raise the funds necessary to continue our operations. Assertions by third parties that we violate their intellectual property rights could therefore harm our business.



***Our use of open source software could adversely affect our ability to offer our solutions and subject us to possible litigation.***

We use open source software in connection with our existing offerings and may continue to use open source software in connection with our future offerings. Some of these licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third-parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software and to make our proprietary software available under open source licenses, if we combine and/or distribute our proprietary software with open source software in certain manners. Although we monitor our use of open source software, we cannot be sure that all open source software is reviewed prior to use in our proprietary software, that our programmers have not incorporated open source software into our proprietary software, or that they will not do so in the future. Additionally, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts.

There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our existing and future offerings to our customers and members. In addition, the terms of open source software licenses may require us to provide software that we develop using such open source software, to others, including our competitors, on unfavorable license terms. As a result of our current or future use of open source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our technology, discontinue sales in the event re-engineering cannot be accomplished on a timely basis, or take other remedial action that may divert resources away from our development efforts, any of which could harm our business.

**Risks Related to the Ownership of Our Securities**

***In order to support the growth of our business and repay our indebtedness, we will need to seek capital through new equity or debt financings or incur additional indebtedness under our credit facilities, which sources of additional capital may not be available to us on acceptable terms or at all.***

Our operations have consumed substantial amounts of cash since inception, and we intend to continue to make significant investments to support our business growth, respond to business challenges or opportunities, develop new applications and solutions, enhance our existing product offerings, enhance our operating infrastructure, and acquire complementary businesses and technologies. For the years ended December 31, 2023 and 2022, Legacy Banzai's net cash used in operating activities was \$1.6 million and \$5.2 million, respectively. As of June 30, 2024, December 31, 2023 and 2022, Banzai and Legacy Banzai, respectively, had \$0.5 million, \$2.1 million and \$1.0 million of cash, respectively, which was held for working capital purposes. As of June 30, 2024, December 31, 2023 and 2022, Banzai and Legacy Banzai, respectively, had borrowings of \$16.1 million, \$16.2 million and \$13.7 million, respectively, outstanding under its term loans and promissory notes.

Our future capital requirements may be significantly different from previous estimates and will depend on many factors, including the need to:

- finance unanticipated working capital requirements;
- develop or enhance our technological infrastructure and our existing product offerings;
- fund strategic relationships, including joint ventures and co-investments;
- fund additional implementation engagements;
- respond to competitive pressures; and
- acquire complementary businesses, technologies, products, or services.

Accordingly, we may need to engage in equity or debt financing to secure additional funds. We entered into the SEPA with an entity managed by Yorkville to provide liquidity to us after the Business Combination, but there can be no guarantee that we will be able to affect any advances under the SEPA or to secure additional financing on favorable terms, or at all. To the extent that cash on hand and cash generated from operations are not sufficient to fund capital requirements, or if we do not meet the conditions to sell shares to Yorkville under the SEPA, we may require proceeds from asset sales, additional debt, equity financing, or alternative financing structures. In addition, if we do not identify additional financing to refinance our existing Loan Agreement prior to the expiration of the forbearance granted by our Lender through June 14, 2024, we will be in default of our obligations under the Loan Agreement. Additional financing may not be available on favorable terms, or at all.

If we raise additional funds through further issuances of equity or convertible debt securities, including shares of Class A Common Stock issued in connection with advances under the SEPA or upon exercise of the GEM Warrant, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of shares of our Class A Common Stock. Any debt financing secured by us in the future could involve additional restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, during times of economic instability, it has been difficult for many companies to obtain financing in the public markets or to obtain debt financing, and we may not be able to obtain additional financing on commercially reasonable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we need or want it, it could harm our business.

***Future sales of shares of Class A Common Stock may depress their stock price.***

Future sales of shares of Class A Common Stock in the public market, including the resale of shares pursuant to our effective registration statements or pursuant to Rule 144, could depress the stock price. See “Sales of a substantial number of shares of Class A Common Stock in the public market pursuant to our registration statements could reduce the market price of Class A Common Stock.” Subject to certain exceptions, the Amended and Restated Registration Rights Agreement executed at the time of the Closing provides for certain restrictions on transfer with respect to our securities. Such restrictions began upon the Closing and end the earliest of (A) 180 days after the Closing and (B) the first date on which (x) the closing price of our Class A Common Stock equals or exceeds \$12.00 per share for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing or (y) we complete a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in our stockholders having the right to exchange their shares of our Class A Common Stock for cash, securities, or other property.

In connection with the execution of the Merger Agreement, we and certain stockholders of Legacy Banzai, including Legacy Banzai’s officers, directors, and certain holders of 10% or more of the outstanding shares of Legacy Banzai Common Stock as of the date of the Merger Agreement, entered into the lock-up agreements effective as of the Closing Date (the “Lock-Up Agreements”). Pursuant to the Lock-Up Agreements, such stockholders agree not to, without our prior written consent (subject to certain exceptions): (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Act and the rules and regulations of the SEC promulgated thereunder, any shares of Common Stock held by him, her, or it immediately after the Closing, any shares of Common Stock issuable upon the exercise of options to purchase shares, or any securities convertible into or exercisable or exchangeable for Common Stock held by him, her, or it immediately after such closing, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of such shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (iii) publicly announce any intention to effect any transaction specified in clause (i) or (ii) until 180 days after the Closing.

Additionally, Cantor is subject to a 12-month lock-up period with respect to Class A Common Stock issued pursuant to the Fee Reduction Agreement, subject to customary exceptions.

However, equity holders not subject to a lock-up and, following the expiration of the applicable lock-up periods, such equity holders referred to above will not be restricted from selling shares of our Common Stock held by them, other than by applicable securities laws, and sales could occur at any time and such sales could depress the stock price.

***Issuances of shares of our Class A Common Stock pursuant to any Advances under the SEPA and conversion of any amounts under the Yorkville Promissory Notes, exercise of the GEM Warrant and conversion of any amounts under the GEM Promissory Note, and conversion of any amounts under the Senior Convertible Notes would result in substantial dilution of our stockholders and may have a negative impact on the market price of our Class A Common Stock.***

At Closing, the Senior Convertible Notes and the obligation to issue the GEM Warrant automatically became our obligation. On December 15, 2023, we issued the GEM Warrant in the amount of 16,571 shares of Class A Common Stock at an exercise price of \$324.50 per share, which will be adjusted to 105% of the then-current exercise price if, on the one-year anniversary date of the date of issuance, the GEM Warrant has not been exercised in full and the average closing price per share of shares of Class A Common Stock for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of Class A Common Stock, or securities convertible into or exercisable or exchangeable for, shares of Class A Common Stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such Class A Common Stock or other securities. The issuance of shares of Class A Common Stock in this offering may cause such an adjustment in the exercise price of the GEM Warrant. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026.

On February 5, 2024, we issued the GEM Promissory Note, which is convertible upon nonpayment of and in lieu of a monthly payment in the amount of \$100,000, payable for ten months on the first of the month starting on March 1, 2024. The GEM Promissory Note provides for the issuance of shares of Class A Common Stock at a conversion price equal to the VWAP of the trading day immediately preceding the applicable payment due date. As of the date of this prospectus, we have issued an aggregate of 40,000 shares of Class A Common Stock to GEM in lieu of monthly payment obligations.

The shares of Class A Common Stock issuable pursuant to the GEM Warrant and the GEM Promissory Note, to the extent exercised, converted and issued, would impose significant dilution on our stockholders. Under the terms of the GEM Warrant and the GEM Promissory Note, as of October 14, 2024, 16,571 and 121,661 additional shares of Class A Common Stock may be issued assuming full exercise and conversion (and no adjustments to the exercise or conversion price thereof) of each of the GEM Warrant and the GEM Promissory Note, respectively, which would reflect approximately 0.81% or 5.63% respectively, of the outstanding shares of our Class A Common Stock as of October 14, 2024 after giving effect to such issuances.

Further, the shares of Class A Common Stock issuable pursuant to the Senior Convertible Notes, to the extent exercised, converted and issued, would impose significant dilution on our stockholders. As of October 14, 2024, up to 2,698,696 additional shares of Class A Common Stock may be issued assuming full conversion (and no adjustments to the conversion price thereof) of the Senior Convertible Notes, which would reflect approximately 56.96% of the outstanding shares of our Class A Common Stock as of October 14, 2024 after giving effect to such issuance.

Pursuant to the SEPA, subject to certain conditions and Yorkville's right to require issuances while its promissory notes are outstanding, we have the option, but not the obligation, to sell to Yorkville, and Yorkville will subscribe for, an aggregate amount of up to \$100,000,000 of shares of Class A Common Stock, at our request any time during the commitment period terminating on the 36-month anniversary of the Original SEPA; provided that any Advance Notice may only be made if (x) no amount remains outstanding on the Yorkville Promissory Notes, (y) there is an effective Resale Registration Statement filed with the SEC for the resale under the Securities Act, of the shares of Class A Common Stock to be issued pursuant to such Advance Notice, and (z) other customary conditions precedent are satisfied. The price at which we may issue and sell shares pursuant to an Advance under the SEPA may be at either (a) Pricing Option 1 or (b) Pricing Option 2, provided that we are subject to certain caps on the amount of shares of Class A Common Stock that we may sell pursuant to any advance under the SEPA.

Additionally, at any time during the commitment period, provided there is a balance remaining outstanding under a Yorkville Promissory Note, Yorkville may deliver an Investor Notice, causing an Advance Notice to be deemed delivered to Yorkville, subject to certain conditions. As of October 14, 2024, 111,024 shares of Class A Common Stock had been issued upon conversion of the Yorkville Promissory Notes and the Company made a \$750,000.00 cash payment in May 2024. The aggregate principal amount was fully satisfied with no remaining outstanding balance under the Yorkville Promissory Notes. In addition, 14,201 shares of Class A Common Stock had been issued in satisfaction of a deferred fee payment in the amount of \$500,000. Assuming that (a) we issue and sell the full \$100 million of shares of Class A Common Stock under the SEPA to Yorkville, (b) there are no beneficial ownership limitations, and (c) the issue price for such sales is \$1.00 or \$3.00 per share, such additional issuances would represent in the aggregate approximately 2,000,000 or 6,000,000 additional shares of Class A Common Stock, respectively, or approximately 50% or 75% of the total number of shares of Class A Common Stock outstanding as of October 14, 2024, after giving effect to such issuance.

***Nasdaq may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.***

On February 5, 2024, we received a letter from the staff at Nasdaq notifying us that, for 30 consecutive business days prior to the date of the letter, our Market Value of Listed Securities was below the minimum of \$50 million required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(b)(2)(A) (the "MVLS Requirement"). The staff at Nasdaq also noted that we were not in compliance with Nasdaq Listing Rule 5450(b)(3)(A), which requires listed companies to have total assets and total revenue of at least \$50,000,000 each for the most recently completed fiscal year or for two of the three most recently completed fiscal years. We had 180 calendar days, or until August 5, 2024, to regain compliance. On August 6, 2024, we received a written notice (the "Notice") from the Listing Qualifications Department of Nasdaq indicating that we failed to comply with the MVLS requirement. Pursuant to the Notice, unless we timely request a hearing before The Nasdaq Hearings Panel (the "Panel"), our securities will be subject to suspension and delisting from The Nasdaq Global Market. Accordingly, we intend to timely request a hearing before the Panel. A hearing request will automatically stay the suspension of trading on our securities, and our securities will continue to trade on The Nasdaq Global Market until the hearing process concludes and the Panel issues a written decision. There can be no assurance that the Panel will grant us an additional extension period or that we will ultimately regain compliance with all applicable requirements for continued listing on The Nasdaq Global Market.

On April 3, 2024, we received a second letter from the staff at Nasdaq notifying us that, for the 30 consecutive business days prior to the date of the letter, Class A Common Stock did not meet the minimum bid price of \$1.00 per share required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(a)(1). Also on April 3, 2024, we received a third letter from the staff at Nasdaq notifying us that, for the 30 consecutive business days prior to the date of the third letter, our Market Value of Publicly Held Shares was below the minimum of \$15 million required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(b)(2)(C). We have 180 calendar days, or until September 30, 2024, to regain compliance with these listing rules.

On August 6, 2024, we received a written notice (the "Notice") from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") indicating that the Company has failed to comply with Nasdaq's \$50 million minimum "Market Value of Listed Securities" requirement set forth in Nasdaq Listing Rule 5450(b)(2)(A). Pursuant to the Notice, the Company requested a hearing before The Nasdaq Hearings Panel (the "Panel"), which automatically stayed the suspension of trading on the Company's securities, and the Company's securities will continue to trade on The Nasdaq Global Market until the hearing process concludes and the Panel issues a written decision. The hearing was held on September 19, 2024. On September 26, 2024, Nasdaq provided the Company with its determination. The Panel determined to phase the Company down from The Nasdaq Global Market to The Nasdaq Capital Market and grant the Company an extension until January 31, 2025 to demonstrate compliance with Nasdaq's listing rules, so long as the Company applies to list on The Nasdaq Capital Market on or before October 7, 2024 and demonstrates compliance with Listing Rules 5550(a)(2), 5550(a)(5) and 5550(b)(1) on or before January 31, 2024. The Panel reserved the right to reconsider the terms of the extension based on any event, condition or circumstance that exists or develops that would, in the opinion of the Panel, make continued listing of the Company's securities on the Nasdaq Capital Market inadvisable or unwarranted.

If, for any reason, Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a decrease in the number of institutional and general investors that will consider investing in our Class A Common Stock;
- a determination that our common stock is a "penny stock" which will require brokers trading in our Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage;
- a reduction in the number of market makers for our Class A Common stock and the number of broker-dealers willing to execute trades in shares of our Class A Common Stock;
- a decreased ability to issue additional securities or obtain additional financing in the future; and
- being subject to regulation in each state in which we offer our securities.

***If our Class A Common Stock ceases to be listed on a national securities exchange it will become subject to the so-called “penny stock” rules that impose restrictive sales practice requirements.***

If we are unable to maintain the listing of our Class A Common Stock on The Nasdaq Global Market or another national securities exchange, our Class A Common Stock could become subject to the so-called “penny stock” rules if the shares have a market value of less than \$5.00 per share. The SEC has adopted regulations that define a penny stock to include any stock that has a market price of less than \$5.00 per share, subject to certain exceptions, including an exception for stock traded on a national securities exchange. The SEC regulations impose restrictive sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors. For transactions covered by this rule, the broker-dealer must make a special suitability determination for the purchaser and must have received the purchaser’s written consent to the transaction prior to sale. This means that if we are unable maintain the listing of our Class A Common Stock on a national securities exchange, the ability of stockholders to sell their common stock in the secondary market could be adversely affected. If a transaction involving a penny stock is not exempt from the SEC’s rule, a broker-dealer must deliver a disclosure schedule relating to the penny stock market to each investor prior to a transaction. The broker-dealer also must disclose the commissions payable to both the broker-dealer and its registered representative, current quotations for the penny stock, and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer’s presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the customer’s account and information on the limited market in penny stocks.

***Our dual class common stock structure has the effect of concentrating voting power with our Chief Executive Officer and Co-Founder, Joseph Davy, which limits an investor’s ability to influence the outcome of important transactions, including a change in control.***

Shares of our Class B Common Stock have 10 votes per share, while shares of our Class A Common Stock have one vote per share. Mr. Davy, who is our Chief Executive Officer and is Legacy Banzai’s Co-Founder, including his affiliates and permitted transferees, holds all of the issued and outstanding shares of Class B Common Stock. Accordingly, Mr. Davy held, directly or indirectly, approximately 91.89% of our outstanding voting power as of October 14, 2024 and is able to control matters submitted to our stockholders for approval, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. Mr. Davy may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing, or deterring a change in control, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale, and might ultimately affect the market price of Class A Common Stock.

***The market price of our Class A Common Stock has been, and is likely to continue to be, highly volatile, and you may lose some or all of your investment.***

The market price of our Class A Common Stock has fluctuated, and may continue to fluctuate, significantly due to a number of factors, some of which may be beyond our control, including those factors discussed in this “Risk Factors” section and many others, such as:

- actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in its quarterly and annual results;
- developments involving our competitors;
- changes in laws and regulations affecting our business;
- variations in our operating performance and the performance of our competitors in general;
- the public’s reaction to our press releases, our other public announcements and our filings with the SEC;
- additions and departures of key personnel;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- publication of research reports about us or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;
- overall performance of the equity markets;
- sales of Common Stock by us or our stockholders in the future;
- trading volume of Class A Common Stock;
- significant lawsuits, including stockholder litigation;
- failure to comply with the requirements of Nasdaq;
- the impact of any natural disasters, pandemics, epidemics or other public health emergencies;
- general economic, industry and market conditions and other events or factors, many of which are beyond our control; and
- changes in accounting standards, policies, guidelines, interpretations, or principles.

***Volatility in the price of our Class A Common Stock could subject us to securities class action litigation.***

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

***If securities or industry analysts do not publish research or reports about us, or publish negative reports, then our stock price and trading volume could decline.***

The trading market for our Class A Common Stock will depend, in part, on the research and reports that securities or industry analysts publish about us. We do not have any control over these analysts. If our financial performance fails to meet analyst estimates or one or more of the analysts who cover us downgrade our Class A Common Stock or change their opinion, then the market price of our Class A Common Stock would likely decline. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the market price of our Class A Common Stock or trading volume to decline.

***We have incurred and will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our business, results of operations, and financial condition.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq, and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems and resources. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations, and financial condition. Although we have already hired additional employees and engaged outside consultants to assist us in complying with these requirements, we will need to hire more employees in the future or may need to engage additional outside consultants, which will increase our operating expenses.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. These factors could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors (our "Board"), particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in this prospectus and in our other public filings, our business and financial condition will become more visible, which may result in pricing pressure from customers or an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of its management and harm our business.

***We have identified material weaknesses in our internal control over financial reporting in the past. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and stock price.***

Prior to the Closing of the Business Combination, Legacy Banzai was a private company with limited accounting personnel to adequately execute its accounting processes and limited supervisory resources with which to address its internal control over financial reporting. In connection with the audit of Legacy Banzai's financial statements as of and for the year ended December 31, 2022 and continuing through the year ended December 31, 2023, Legacy Banzai identified material weaknesses in its internal control over financial reporting. A material weakness is a deficiency or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Legacy Banzai's annual or interim financial statements will not be prevented or detected on a timely basis.

Legacy Banzai did not design or maintain an effective control environment under the rules and regulations of the SEC. Accordingly and specifically, (i) management does not have appropriate IT general controls in place over change management, user access, cybersecurity, and reviews of service organizations, (ii) management does not have suitable entity level controls in place in accordance with the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013) ("COSO"), including reviews of the financial statements, and certain entity level controls were not performed by management, and (iii) pervasive transactional and account level reconciliations and analyses are not performed, or not performed with sufficient detail to prevent or detect a material weakness. These issues related to managements controls over the review of complex significant transactions, complex debt and equity, income and sales taxes, & revenue recognition.

We have taken certain steps, such as recruiting additional personnel, in addition to utilizing third-party consultants and specialists, to supplement our internal resources, to enhance our internal control environment and plans to take additional steps to remediate the material weaknesses. Although we plan to complete this remediation process as quickly as possible, we cannot at this time estimate how long it will take. We cannot assure you that the measures taken to date and to be taken in the future, will be sufficient to remediate the control deficiencies that led to Legacy Banzai's material weakness in internal control over financial reporting or that it will prevent or avoid potential future material weaknesses. If the steps we take do not correct the material weakness in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

Any failure to remediate existing material weaknesses, or to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A Common Stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq. We will not be required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and will therefore not be required to make a formal assessment of the effectiveness of control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K. Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an "emerging growth company" as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business and results of operations and could cause a decline in the price of our Class A Common Stock.



***Our executive officers and directors collectively beneficially own approximately 93.47% of the voting power of our outstanding Common Stock and have substantial control over us, which will limit your ability to influence the outcome of important transactions, including a change in control.***

Our executive officers and directors, in the aggregate, beneficially own approximately 93.47% of the voting power of our outstanding shares of Common Stock as of the date of this prospectus, based on the number of shares outstanding as of October 14, 2024. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions, or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree, and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing, or deterring a change in control of the Company, could deprive our stockholders of an opportunity to receive a premium for their Class A Common Stock as part of a sale of the Company, and might ultimately affect the market price of our Class A Common Stock.

***It is not currently anticipated that we will pay dividends on shares of our Class A Common Stock, and, consequently, your ability to achieve a return on your investment will depend on appreciation, if any, in the market price of Class A Common Stock.***

It is currently anticipated that we will retain future earnings for the development, operation, and expansion of the business, and we do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to our stockholders will therefore be limited to the appreciation of their shares of Class A Common Stock. There is no guarantee that shares of Class A Common Stock will appreciate in value or even maintain the price at which stockholders have purchased their shares of Class A Common Stock.

***The DGCL and our Charter and Bylaws contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.***

Our Charter, our Bylaws and the DGCL contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the Board and therefore depress the trading price of our Class A Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of the Board or taking other corporate actions, including effecting changes in our management. Among other things, our Charter and/or Bylaws include provisions regarding:

- that shares of our Class B Common Stock are entitled to 10 votes per share;
- the ability of the Board to issue shares of Preferred Stock, \$0.0001 par value per share (“Preferred Stock”), including “blank check” preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;

- the limitation of the liability of, and the indemnification of, our directors and officers;
- the requirement that a special meeting of stockholders may be called only by a majority of the entire Board, the chairperson of the Board or the Chief Executive Officer which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- controlling the procedures for the conduct and scheduling of Board and stockholder meetings;
- the ability of the Board to amend the Bylaws, which may allow the Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the Bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to the Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Board, and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Likewise, because our principal executive offices are located in Washington, the anti-takeover provisions of the Washington Business Corporation Act (the "WBCA") may apply to us under certain circumstances now or in the future. These provisions prohibit a "target corporation" from engaging in any of a broad range of business combinations with any stockholder constituting an "acquiring person" for a period of five years following the date on which the stockholder became an "acquiring person."

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Board or our management.

In addition, our Charter includes a provision substantially similar to Section 203 of the DGCL, which may prohibit certain stockholders holding 15% or more of our outstanding capital stock from engaging in certain business combinations with us for a specified period of time.

***Our Charter designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which restricts our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our Charter provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of claims or causes of action under Delaware statutory or common law: any derivative claims or causes of action brought on our behalf; any claims or causes of action asserting a breach of a fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our Charter, or our Bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. In addition, our Charter provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These choice of forum provisions will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Such provisions are intended to benefit and may be enforced by us and our officers and directors, employees and agents.

These provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. 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 us or our directors, officers, or other employees, which may discourage lawsuits with respect to such claims or make such lawsuits more costly for stockholders, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find either choice of forum provisions contained in our Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

***We are an emerging growth company and smaller reporting company, and the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies may make our shares of Class A Common Stock less attractive to investors.***

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including exemption from compliance with the auditor attestation requirements under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year (a) following the fifth anniversary of the closing of 7GC’s initial public offering (December 22, 2025), (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$700.0 million as of the last business day of our most recently completed second fiscal quarter; and (ii) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We are also a smaller reporting company as defined in the Exchange Act. Even after we no longer qualify as an emerging growth company, we may still qualify as a smaller reporting company, which would allow us to take advantage of many of the same exemptions from disclosure requirements, including exemption from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in this prospectus and our other periodic reports and proxy statements. We will be able to take advantage of these scaled disclosures for so long as our voting and non-voting Common Stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our voting and non-voting Common Stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

We cannot predict if investors will find our Class A Common Stock less attractive because we may rely on these exemptions. If some investors find Class A Common Stock less attractive as a result, there may be a less active trading market for Class A Common Stock and its market price may be more volatile.

***If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.***

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We will base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our financial statements include, but are not limited to, estimates of impairment on goodwill, recognition and measurement of convertible, warrants and SAFEs, including the valuation of the bifurcated embedded derivatives liabilities, and measurement and recognition of stock-based compensation. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A Common Stock.

Additionally, we will regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards, and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies, and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial position, and profit.

***We may issue additional shares of Common Stock or Preferred Stock, including under our equity incentive plan. Any such issuances would dilute the interest of our stockholders and likely present other risks.***

We may issue a substantial number of additional shares of Common Stock or Preferred Stock, including under our 2023 equity incentive plan, which had 71,522 unissued shares authorized as of December 31, 2023. Any such issuances of additional shares of Common Stock or Preferred Stock:

- may significantly dilute the equity interests of our investors;
- may subordinate the rights of holders of Common Stock if preferred stock is issued with rights senior to those afforded our Common Stock;
- could cause a change in control if a substantial number of shares of our Common Stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our Common Stock and/or Public Warrants.

***Sales of a substantial number of shares of Class A Common Stock in the public market pursuant to our registration statements could reduce the market price of Class A Common Stock.***

Sales of a substantial number of shares of Class A Common Stock in the public market pursuant to the Registration Statements on Form S-1 (File Nos. 333-276307 and 333-278871) (the “S-1 Registration Statements”) could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of Class A Common Stock intend to sell shares, could reduce the market price of Class A Common Stock. In particular, until such time as it is no longer effective, the S-1 Registration Statements permit the resale of shares held by the Sponsor, who has beneficial ownership of approximately 2.98% of our outstanding shares of Class A Common Stock, and Mr. Joseph Davy, who holds approximately 53.13% of outstanding Common Stock of the Company, including shares of both Class A Common Stock and Class B Common Stock and approximately 91.89% of our outstanding voting power, subject, in each case, to the applicable lock-up periods. The resale, or expected or potential resale, of a substantial number of shares of our Class A Common Stock in the public market could adversely affect the market price for Class A Common Stock and make it more difficult for you to sell your holdings at times and prices that you determine are appropriate. Furthermore, we expect that, because there is a large number of shares registered pursuant to the S-1 Registration Statements, the selling securityholders will continue to offer the securities covered thereby pursuant to the S-1 Registration Statements or pursuant to Rule 144 for a significant period of time, the precise duration of which cannot be predicted. Accordingly, the adverse market and price pressures resulting from an offering pursuant to any of our registration statements may continue for an extended period of time. We may also file additional registration statements in connection with the possible sale of other securities.

***If certain holders of Class A Common Stock sell a significant portion of their securities, it may negatively impact the market price of the shares of Class A Common Stock and such holders still may receive significant proceeds.***

As of the date of this prospectus, the market price of our Class A Common Stock is below \$10.00 per share, which was the price per unit sold in the IPO, the per-share value of the consideration issued to Legacy Banzai stockholders upon consummation of the Business Combination. However, certain of our stockholders hold shares of Class A Common Stock that were originally purchased by the Sponsor in a private placement prior to the IPO (“Founder Shares”) and may nonetheless be inclined to sell such Founder Shares, as they were originally purchased at an effective price significantly less than \$10.00 per share. The currently outstanding 60,747 Founder Shares, representing 2.98% of our Class A Common Stock as of October 14, 2024, were purchased at an effective price of \$0.0050 per share. Accordingly, holders of the Founder Shares could sell their securities at a per-share price that is less than \$10.00 and still realize a significant profit from the sale of those securities that could not be realized by our other stockholders. On October 14, 2024, the closing price of our Class A Common Stock was \$3.70. Based on this closing price, the aggregate sales price of the Founder Shares would be approximately \$0.2 million.

***It is not possible to predict the actual number of shares we will sell under the SEPA, or the actual gross proceeds resulting from those sales. Further, we may not have access to any or the full amount available under the SEPA.***

On December 14, 2023, we entered into the SEPA with Yorkville, pursuant to which Yorkville has committed to purchase up to \$100 million of Class A Common Stock, pursuant to Advance Notices delivered by the Company any time during the commitment period terminating on the 36-month anniversary of the SEPA; provided that any Advance Notice may only be made if (x) no amount remains outstanding on the Yorkville Promissory Notes, (y) there is an effective Resale Registration Statement filed with the SEC for the resale under the Securities Act of the shares of Class A Common Stock to be issued pursuant to such Advance Notice, and (z) other customary conditions precedent. Additionally, at any time during the commitment period, provided there is a balance remaining outstanding under a Yorkville Promissory Note, Yorkville may deliver an Investor Notice, causing an Advance Notice to be deemed delivered to Yorkville, subject to certain conditions.

Save for the issuance of shares of Class A Common Stock following receipt of an Investor Notice (as defined in the SEPA) or pursuant to conversion of a Yorkville Promissory Note, we generally have the right to control the timing and amount of any sales of shares of Class A Common Stock to Yorkville under the SEPA. Sales of Class A Common Stock, if any, to Yorkville under the SEPA will depend upon market conditions and other factors to be determined by us. We may ultimately decide to sell to Yorkville all, some or none of the shares of Class A Common Stock that may be available for us to sell to Yorkville pursuant to the SEPA.

Because the purchase price per share to be paid by Yorkville for the shares of Class A Common Stock that we may elect to sell to Yorkville under the SEPA, if any, will fluctuate based on the market prices of Class A Common Stock prior to each sale made pursuant to the SEPA, if any, it is not possible for us to predict, as of the date of this prospectus and prior to any such sales, the number of shares of Class A Common Stock that we will sell to Yorkville under the SEPA, the purchase price per share that Yorkville will pay for shares purchased from us under the SEPA, or the aggregate gross proceeds that we will receive from those purchases by Yorkville under the SEPA, if any.

Moreover, although the SEPA provides that we may issue up to an aggregate of \$100 million of our Class A Common Stock to Yorkville, only 114,526 shares of Class A Common Stock (excluding 6,000 shares issued to Yorkville in lieu of a commitment fee at Closing) were previously registered for resale under the Prior SEPA Registration Statement. If we issue to Yorkville all of the 114,526 shares of Class A Common Stock registered for resale under the Prior SEPA Registration Statement, depending on the market price of our Class A Common Stock prior to each Advance made pursuant to the SEPA, the actual gross proceeds from the sale of all such shares may be substantially less than the \$100 million available to us under the SEPA.

Since it has become necessary for us to issue to Yorkville under the SEPA more than the 114,526 shares of Class A Common Stock previously registered, to receive aggregate gross proceeds equal to \$100 million under the SEPA, we filed another registration statement to register under the Securities Act the resale by Yorkville such additional shares of Class A Common Stock we now seek to issue from time to time under the SEPA, which the SEC must declare effective.

The SEPA does not obligate Yorkville to subscribe for or acquire any shares of Class A Common Stock under the SEPA if those shares of Class A Common Stock, when aggregated with all other shares of Class A Common Stock acquired by Yorkville under the SEPA, would result in Yorkville beneficially owning more than 9.99% of the then outstanding shares of Class A Common Stock.

***Resales of our shares of Common Stock in the public market during this Offering by the Selling Securityholder may cause the market price of our Common Stock to decline.***

Sales of Resale Shares could result in resales of our Common Stock by our current securityholders concerned about the potential dilution of their holdings. In turn, these resales could have the effect of depressing the market price for our Common Stock.

## USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of Common Stock being offered by the Selling Securityholder.

## MARKET INFORMATION FOR CLASS A COMMON STOCK AND DIVIDEND POLICY

### Market Information

As of October 14, 2024, our Class A Common Stock is listed on The Nasdaq Global Market under the symbol “BNZI”. Our Public Warrants are currently listed on The Nasdaq Global Market under the symbol “BNZIW.” As of October 14, 2024, there were 64 holders of record of our Class A Common Stock and one holder of record of our Public Warrants. These numbers do not include beneficial owners whose securities were held in street name.

Following receipt of the necessary shareholder and Nasdaq approval, we have implemented a reverse stock split of our Class A Common Stock at a 1:50 ratio, to be effective on September 19, 2024. Following the split, we have a new cusip number 06682J308.

### Dividend Policy

As of the date of this prospectus, we have not declared or paid any cash dividends on our Common Stock. We expect to retain future earnings, if any, for future operations, expansion and debt repayment and have no plans to declare or pay cash dividends on our Common Stock for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur.

### Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes our equity securities authorized for issuance as of December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (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) (1)
Equity compensation plans approved by securityholders	14,947	\$ 293.74	82,965
Equity compensation plans not approved by securityholders	-	-	-
<b>Total:</b>	<b>14,947</b>	<b>\$ 293.74</b>	<b>82,965</b>

(1) Includes 71,522 shares available pursuant to our 2023 Equity Incentive Plan and 11,443 shares available pursuant to our Employee Stock Purchase Plan.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated audited financial statements and related notes, and our interim condensed consolidated financial statements and related notes, that appear elsewhere in this prospectus, as well as the section entitled "Business." In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere particularly in the section titled "Risk Factors" and elsewhere in this prospectus.*

*Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.*

### Overview

Banzai is a MarTech company that produces data-driven marketing and sales solutions for businesses of all sizes. Our mission is to help our customers accomplish their mission-by enabling better marketing, sales, and customer engagement outcomes. Banzai endeavors to acquire companies strategically positioned to enhance our product and service offerings, increasing the value provided to current and prospective customers.

Banzai was founded in 2015. The first product Banzai launched was Reach, a SaaS and managed services offering designed to increase registration and attendance of marketing events, followed by the acquisition of Demio, a SaaS solution for webinars designed for marketing, sales, and customer success teams, in 2021 and the launch of Boost, a SaaS solution for social sharing designed to increase attendance for Demio-hosted events by enabling easy social sharing by event registrants, in 2023. Our customer base included over 2,700 customers as of December 31, 2023 and comes from a variety of industries, including (among others) healthcare, financial services, e-commerce, technology and media, operating in over 90 countries. Our customers range in size from solo entrepreneurs and small businesses to Fortune 500 companies. No single customer represents more than 10% of our revenue. Since 2021, we have focused on increasing mid-market and enterprise customers for Demio. Progress towards this is reflected in our increase in multi-host Demio customers from 14 on January 1, 2021 to 116 on December 31, 2023, an approximately 10-fold increase.

We sell our products using a recurring subscription license model typical in SaaS businesses. Pricing tiers for our main product, Demio, are based on the number of host-capable users, desired feature sets, and maximum audience size. Boost pricing tiers are based on the Demio plan to which the customer subscribes. Reach pricing is based on the number of event campaigns a customer has access to run simultaneously or the maximum number of registrations a customer is allowed to generate per subscription period. Banzai's customer contracts vary in term length from single months to multiple years.

Banzai generated revenue of \$4.6 million, \$5.3 million, \$2.1 million and \$2.4 million in the years ended December 31, 2023 and 2022 and the six months ended June 30, 2024 and 2023, respectively. Banzai has incurred significant net losses since inception, including net losses of \$14.4 million, \$15.5 million, \$8.7 million and \$7.3 million in the years ended December 31, 2023 and 2022 and the six months ended June 30, 2024 and 2023, respectively. Banzai had an accumulated deficit of \$46.8 million, \$32.4 million and \$55.4 million as of December 31, 2023 and 2022 and June 30, 2024, respectively.



## Summary of our Merger

On December 14, 2023, we consummated the Business Combination with Legacy Banzai. Pursuant to the terms of the Merger Agreement, the Business Combination was effected through (a) the merger of First Merger Sub with and into Legacy Banzai, with Legacy Banzai surviving as a wholly-owned subsidiary of 7GC and (b) the subsequent merger of Legacy Banzai with and into Second Merger Sub, with the Second Merger Sub being the surviving entity of the Second Merger, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC. Upon closing the Business Combination, we changed our name from 7GC & Co. Holdings Inc. to Banzai International, Inc.

## Reverse Stock Split

On August 29, 2024, we held a special meeting of securityholders (the “**Special Meeting**”). At the Special Meeting, the Company’s securityholders approved the proposal to amend our Second Amended and Restated Certificate of Incorporation to effect a reverse stock split with respect to the Company’s issued and outstanding Class A Common Stock, at a ratio of up to 1-for-50, with the final ratio and exact timing to be determined at the discretion of the Board of Directors. On September 10, 2024, our Board determined to effect a reverse stock split at a ratio of 1-for-50, effective as of September 19, 2024 and filed an amendment with the Secretary of State of the State of Delaware. A copy of the amendment is filed as Exhibit 3.3 attached hereto.

## Recent Financing

Currently, the company is seeking to raise additional capital through a private placement leveraging SEPA with the proceeds to support its operation and expansion through acquisition.

On May 22, 2024, we priced a “best efforts” public offering for the sale by the Company of an aggregate of 104,556 shares of our Class A common stock, 173,222 pre-funded warrants (the “**Pre-Funded Warrants**”), and 277,778 common warrants (the “**Common Warrants**”). The public offering price was \$9.00 per share and accompanying Common Warrant, or \$8.9950 per Pre-Funded Warrant and accompanying Common Warrant. The Pre-Funded Warrants are exercisable immediately, may be exercised at any time until all of the Pre-Funded Warrants are exercised in full, and have an exercise price of \$0.0050. The Common Warrants are exercisable immediately for a term of five years and have an exercise price of \$9.00.

A.G.P./Alliance Global Partners (“**AGP**”) acted as placement agent for the offering, pursuant to a placement agency agreement, dated May 22, 2024, between the Company and AGP (the “**Placement Agency Agreement**”). Under the Placement Agency Agreement, AGP received a cash fee of \$174,939 and warrants (the “**Placement Agent Warrants**”) to purchase 16,667 shares of our Class A Common Stock at an exercise price per share equal to \$10.00. The offering closed on May 28, 2024.

On September 24, 2024, the Company entered into a securities purchase agreement (the “**Purchase Agreement**”) with an institutional investor for the issuance and sale in a private placement (the “**Private Placement**”) of (i) pre-funded warrants (“**Pre-Funded Warrants**”) to purchase up to 1,176,471 shares of the Company’s Class A common stock, par value \$0.0001 per share (the “**Common Stock**”), at an exercise price of \$0.001 per share, (ii) Series A warrants (the “**Series A Warrants**”) to purchase up to 1,176,471 shares of Common Stock, at an exercise price of \$4.00 per share, and (iii) Series B warrants (the “**Series B Warrants**”) and together with the Series A Warrants and the Placement Agent Warrants (defined below), the “**Warrants**”) to purchase up to 1,176,471 shares of Common Stock at an exercise price of \$4.00 per share. The Series A Warrants are exercisable immediately upon issuance and have a term of exercise equal to five years from the date of issuance. The Series B Warrants are exercisable immediately upon issuance and have a term of exercise equal to eighteen (18) months from the date of issuance. The combined purchase price per Pre-Funded Warrant and accompanying Warrants was \$4.249. The Private Placement closed on September 26, 2024.

A holder of the Pre-Funded Warrants and the Warrants may not exercise any portion of such holder’s Pre-Funded Warrants or Warrants to the extent that the holder, together with its affiliates, would beneficially own more than 4.99% (or, at the election of the holder, 9.99%) of the Company’s outstanding shares of Common Stock immediately after exercise, except that upon at least 61 days’ prior notice from the holder to the Company, the holder may increase the beneficial ownership limitation to up to 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the exercise. In the event of certain fundamental transactions, holders of the Warrants will have the right to receive the Black Scholes Value of their Warrants calculated pursuant to a formula set forth in the Warrants, payable either in cash or in the same type or form of consideration that is being offered and being paid to the holders of Common Stock.

In connection with the Private Placement, the Company entered into a registration rights agreement (the “**Registration Rights Agreement**”), dated as of September 24, 2024, with the investor, pursuant to which the Company agreed to prepare and file a registration statement on Form S-1 to register the resale of the shares of Common Stock underlying the Pre-Funded Warrants and the Warrants, and to use its best efforts to have the registration statement declared effective as promptly as practical thereafter, and in any event no later than forty-five (45) days following the date of the Registration Rights Agreement (or seventy-five (75) days following the date of the Registration Rights Agreement in the event of a “full review” by the SEC). The Company filed an initial registration statement on Form S-1 (File No. 333-282506) with the SEC on October 4, 2024.

The net proceeds to the Company from the Private Placement were approximately \$4.4 million, after deducting placement agent fees and estimated offering expenses payable by the Company. The Company intends to use the net proceeds received from the Private Placement to pay off in full its outstanding credit facility with Yorkville Advisors and for general corporate purposes and working capital.

H.C. Wainwright & Co., LLC (“*Wainwright*”) acted as the Company’s exclusive placement agent in connection with the Private Placement, pursuant to that certain engagement letter, dated as of September 12, 2024, as amended, between the Company and Wainwright (the “*Engagement Letter*”). Pursuant to the Engagement Letter, the Company paid Wainwright (i) a total cash fee equal to 7.5% of the aggregate gross proceeds of the Private Placement (inclusive of the gross proceeds to be received from the exercise of any Warrants), (ii) a management fee of 1.0% of the aggregate gross proceeds of the Private Placement (inclusive of the gross proceeds to be received from the exercise of any Warrants), and (iii) a non-accountable expense allowance of \$50,000. In addition, the Company issued to Wainwright or its designees warrants (the “*Placement Agent Warrants*”) to purchase up to an aggregate of 88,235 shares of Common Stock at an exercise price equal to \$5.3125 per share and, if any Warrants are exercised for cash will be obligated to issue to Wainwright additional Placement Agent Warrants equal to 7.5% of the total Warrants exercised, if any. The Placement Agent Warrants have substantially the same terms as the Warrants, are exercisable immediately upon issuance and have a term of exercise equal to five (5) years from the date of issuance.

Pursuant to the Purchase Agreement, the Company agreed not to issue any shares of Common Stock or Common Stock equivalents or to file any other registration statement with the SEC (in each case, subject to certain exceptions) until sixty (60) days after the effective date of the Registration Statement. The Company has also agreed not to effect any Variable Rate Transaction (as defined in the Purchase Agreement) until one (1) year after the effective date of the Registration Statement (subject to certain exceptions).

The Engagement Letter and the Purchase Agreement contain customary representations and warranties and agreements and obligations, conditions to closing and termination provisions. The foregoing descriptions of terms and conditions of the Purchase Agreement, the Pre-Funded Warrants, the Series A Warrants, the Series B Warrants, the Placement Agent Warrants, and the Registration Rights Agreement do not purport to be complete and are qualified in their entirety by the full text of the form of the Purchase Agreement, the form of the Pre-Funded Warrant, the form of the Series A Warrant, the form of the Series B Warrant, the form of the Placement Agent Warrant, and the form of the Registration Rights Agreement, which are attached hereto as Exhibits.

### **Debt Equitization Plan**

From August 23, 2024 to October 14, 2024 the Company entered into various agreements to reorganize outstanding debt from certain creditors (collectively, the “*Creditors*”) into shares of the Company’s Class A Common Stock (the “*Shares*”) (collectively, the “*Debt Reorganization*”). The Shares issued as part of the Debt Reorganization are a mix of Shares that we agreed to register in this registration statement on Form S-1 and Shares that are exempt from registration. As of October 14, the Company has issued an aggregate of 614,973 Shares to the Creditors in exchange for the cancellation of an aggregate of \$2,580,541.17 of debt.

### **Operating Metrics**

In the management of our businesses, we identify, measure, and evaluate a variety of operating metrics, as described below. These key performance measures and operating metrics are not prepared in accordance with GAAP and may not be comparable to or calculated in the same way as other similarly titled measures and metrics used by other companies. Measurements are specific to the group being measured, i.e. total customers, new customers, or other cohorts. We currently use these operating metrics with our Demio product. We do not track and use these operating metrics with prior products.

The following table presents the percentage of Banzai’s revenue generated from Demio for the years ended December 31, 2023 and 2022 and the six months ended June 30, 2024 and 2023 as compared to their other SaaS products.

	<i>Six months Ended June 30, 2024</i>	<i>Six months Ended June 30, 2023</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
<i>Revenue %</i>				
Reach	2.0%	5.6%	4.5%	15.0%
Demio	97.4%	94.1%	94.9%	84.6%
Other	0.6%	0.3%	0.6%	0.4%
Total	100.0%	100.0%	100.0%	100.0%

### **Net Revenue Retention (“NRR”)**

NRR is a metric Banzai uses to measure the revenue retention of its existing customer base. NRR calculates the change in revenue from existing customers by cohort over a period of time, after taking into account revenue lost due to customer churn and downgrades, and revenue gained due to upgrades and reactivations.

The formula for calculating NRR is:  $NRR = (\text{Revenue at the beginning of a period} - \text{Revenue lost from churn, and downgrades} + \text{Revenue gained from expansion and reactivation}) / \text{Revenue at the beginning of the period}$ .

The following table presents average monthly NRR for Demio for the years ended December 31, 2023 and 2022.

<i>Product: Demio</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
Average Monthly NRR	95.5%	93.7%

### **Average Customer Value (“ACV”)**

ACV is a metric Banzai uses to calculate the total revenue that it can expect to generate from a customer in a year. ACV is commonly used in the SaaS industry to measure the value of a customer to a subscription-based company over a 12-month period. Banzai uses ACV to segment its customers and to determine whether the value of new customers is growing or shrinking relative to the existing customer base. Banzai uses this information to make strategic decisions about pricing, marketing, and customer retention.

The formula for calculating ACV is:  $ACV = \text{Total Annual Recurring Revenue ("ARR")} / \text{Total Number Customers}$ , where ARR is defined as annual run-rate revenue of subscription agreements from all customers measured at a point in time.

The following table presents new customer ACV and total average ACV for Demio for the years ended December 31, 2023 and 2022.

<i>Product: Demio</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
New Customer ACV	\$ 1,355	\$ 1,453
Total Average ACV	\$ 1,406	\$ 1,213

#### **Customer Acquisition Cost ("CAC")**

CAC is a financial metric Banzai uses to evaluate the average cost of acquiring a new customer. It includes marketing, sales, and other related expenses incurred while attracting and converting prospects into paying customers. CAC is a critical metric for Banzai to understand the efficiency and effectiveness of its marketing and sales efforts, as well as to ensure sustainable growth.

The formula for calculating CAC is:  $CAC = \text{Total Sales \& Marketing Cost} / \text{Number of Customers Acquired}$ .

The following table presents CAC for Demio for the years ended December 31, 2023 and 2022.

<i>Product: Demio</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
Customer Acquisition Cost (CAC)	\$ 1,030	\$ 785

#### **Customer Churn %**

Customer Churn % is the rate of customers who deactivate in a given period relative to the number of active customers at the beginning of such period or end of the prior period. Understanding drivers of churn allows Banzai to take measures to reduce the number of customers who deactivate and increase the overall rate of customer retention. There are two types of Churn % measured: Revenue churn and Customer (or logo) churn.

The formula for calculating Churn % is:  $\text{Churn \%} = [\# \text{ or } \$ \text{ value of}] \text{ Deactivations} / [\# \text{ or } \$ \text{ value of}] \text{ Active Customers (Beginning of period)}$ .

The following table presents revenue Churn and new customer (or logo) Churn for Demio for the years ended December 31, 2023 and 2022.

<i>Product: Demio</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
Average Monthly Churn-Revenue	6.9%	7.1%
Average Monthly Churn-Customer (Logo)	7.9%	7.6%

#### **Customer Lifetime Value ("LTV")**

LTV is a financial metric Banzai uses to estimate the total revenue it can expect to generate from a customer throughout their entire relationship. LTV helps Banzai understand the long-term value of each customer, enabling it to make informed decisions about marketing, sales, customer support, and product development strategies. It also helps Banzai allocate resources more efficiently by identifying high-value customer segments to focus on growth and retention.

The formula for calculating LTV is comprised of two metrics: Monthly Recurring Revenue (“MRR”) and Customer Life represented in # of months. Calculations for these metrics on a per-customer basis, as follows:

$$\text{MRR} = \text{ACV} / 12$$

$$\text{Customer Life (\# of months)} = 1 / \text{Churn \%}$$

$$\text{LTV} = \text{MRR} * \text{Customer Life (\# of months)}$$

MRR is calculated by aggregating, for all customers from customer base or the group being measured during that month, monthly revenue from committed contractual amounts. For customers on annual contracts, this represents their ACV divided by 12.

The following table presents MRR, Customer Life, and LTV for Demio for the years ended December 31, 2023 and 2022.

<i>Product: Demio</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
MRR (New Customers)	\$ 117	\$ 121
Customer Life (months)	14.5	14.1
LTV (New Customers)	\$ 1,635	\$ 1,706

#### **LTV / CAC Ratio**

LTV / CAC ratio is a culminating metric measuring the efficiency of Sales and Marketing activities in terms of the dollar value of new business generated versus the amount invested in order to generate that new business. This provides a measurement of ROI for Sales and Marketing activities. A segmented view of LTV / CAC ratio gives additional insight into the profitability of various business development activities.

The formula for calculating LTV / CAC ratio is: LTV / CAC for the segment or activity being measured.

The following table presents the LTV / CAC ratio for Demio for the years ended December 31, 2023 and 2022.

<i>Product: Demio</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>
LTV / CAC Ratio	1.6	2.2

#### **Analysis of the Impact of Key Business Drivers on Financial Performance**

Banzai strives to maximize revenue growth within a reasonable cost structure through optimizing and continuous monitoring of the key business metrics described above relative to SaaS industry benchmarks, Banzai’s direct competition, and historical company performance. This is accomplished through a combination of increased revenue per customer (higher ACVs and NRR) on an increasing customer base, generated through efficient customer acquisition (LTV / CAC ratio) and improved customer retention (lower churn, higher customer life). Other business activities contribute to improved performance and metrics, including but not limited to the following:

- Customer Success and Onboarding, leading to maximum customer satisfaction and retention.
- Product Development and Support, maximizing customer value, supporting usage and expansion revenue.
- Company Initiatives, designed to improve trial experience and conversion rates, on-demand adoption, and emphasis on data to position our products as a system of automation and a system of record for our customers, supporting growth and retention.

## Identification of Operational Risk Factors

There are a number of key internal and external operational risks to the successful execution of Banzai's strategy.

Internal risks include, among others:

- Management and leadership issues: ineffective leadership, poor decision-making, or lack of direction.
- Operational inefficiencies: inadequate processes and poor resource allocation may lead to decreased productivity or insufficient ROI.
- Financial mismanagement: inadequate financial planning, improper accounting practices, or excessive debt can lead to financial instability.
- Employee-related challenges: high turnover, lack of skilled staff, or internal conflicts can impact morale and productivity.
- Technological obsolescence: failing to develop (or adapt) to new technologies in anticipation or response to changes in market trends can lead to competitive disadvantages.

External risks include, among others:

- Economic factors: including economic downturns, inflation, or currency fluctuations impacting business spending and overall market conditions.
- Competition: from established industry players to new entrants, eroding market share and profitability.
- Legal and regulatory: changes in laws or regulations that impact operations or increase compliance costs.
- Technological disruptions: from advancements in technology leading to obsolescence of existing products.
- Unforeseen events: including natural disasters, geo-political instability, and pandemics, potentially impacting market demand, operational or supply chain disruption.

## Analysis of the Impact of Operational Risks on Financial Performance

The risk factors described above could have significant impacts on Banzai's financial performance. These or other factors, including those risk factors summarized in the section titled "Risk Factors" could impact Banzai's ability to generate and grow revenue, contain costs, or inhibit profitability, cash flow, and overall financial performance:

- Revenue and Sales: Internal risks from operating inefficiency or external factors, including economic downturns or increased competition, could lead to lower sales, impaired unit economics, and reduced revenue.
- Costs and Expenses: Internal operating mismanagement or external factors, including supplier issues, may cause increased cost relative to revenue generation, resulting in insufficient return on investment or profit margins.

By continuing to conduct comprehensive risk monitoring and analysis on financial performance, Banzai can optimize its ability to make informed decisions and improve its ability to navigate internal and external challenges. Such activities include: identification and categorization of risks, quantification and analysis of potential severity, and development of risk mitigation strategies. It is also important for Banzai to ensure financial reports and disclosures accurately reflect the potential impact of risks on financial performance, essential for transparent communication with investors and stakeholders.

## The Business Combination and Public Company Costs

The Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, 7GC was treated as the acquired company for financial statement reporting purposes. Accordingly, for accounting purposes, the financial statements of Banzai represent a continuation of the financial statements of Legacy Banzai with the Business Combination treated as the equivalent of Legacy Banzai issuing stock for the net assets of 7GC, accompanied by a recapitalization. The net assets of 7GC were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of Legacy Banzai in this and future reports of Banzai.

As a consequence of the Business Combination, we became the successor to an SEC-registered and Nasdaq-listed company, which required Banzai to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. We incurred and expect to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources, including increased audit and legal fees. We are qualified as an "emerging growth company." As a result, we have been provided certain disclosure and regulatory relief. Our future results of operations and financial position may not be comparable to Legacy Banzai's historical results of operations and financial position as a result of the Business Combination.

## Results of Operations

<i>(\$ in Thousands)</i>	<i>Three Months Ended June 30, 2024</i>	<i>Three Months Ended June 30, 2023</i>	<i>Period- over- Period \$</i>	<i>Period- over- Period %</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
<b>Operating income:</b>								
Revenue	\$ 1,068	\$ 1,193	\$ 125	-11.0%	\$ 4,561	\$ 5,333	\$ (772)	-14.5%
Cost of revenue	330	379	(49)	-13.0%	1,445	1,957	(512)	-26.2%
Gross profit	\$ 738	\$ 814	\$ (76)	9.3	\$ 3,116	\$ 3,376	\$ (260)	-7.7%
<b>Operating expenses:</b>								
<b>General and administrative expenses</b>								
General and administrative expenses	4,319	2,929	1,390	47.4%	\$ 12,905	\$ 9,275	\$ 3,630	39.1%
Depreciation expense	1.2	1.6	(0)	-22.2%	7	10	(3)	-30.0%
Impairment loss on operating lease	-	-	-	-	-	303	(303)	-100.0%
<b>Total operating expenses</b>	<b>\$ 4,320</b>	<b>\$ 2,931</b>	<b>\$ 1,390</b>	<b>47.4%</b>	<b>\$ 12,912</b>	<b>\$ 9,588</b>	<b>\$ 3,324</b>	<b>34.7%</b>
<b>Operating loss</b>	<b>\$ (3,582)</b>	<b>\$ (2,117)</b>	<b>\$ (1,465)</b>	<b>69.2%</b>	<b>\$ (9,796)</b>	<b>\$ (6,212)</b>	<b>\$ (3,584)</b>	<b>57.7%</b>
<b>Other expenses (income):</b>								
<b>SEPA commitment fee and deferred fee expense</b>								
SEPA commitment fee and deferred fee expense	\$ -	\$ -	\$ -	nm	\$ 3,826	\$ -	\$ 3,826	nm
GEM warrant expense	-	-	-	nm	2,448	-	2,448	nm
GEM commitment fee expense	-	-	-	nm	2,000	-	2,000	nm
Other income, net	64	(22)	86	-389.7%	(63)	(151)	88	-58.3%
Interest income	-	-	-	nm	(1)	-	(1)	nm
Interest expense	396	521	(125)	-24.0%	2,631	1,651	980	59.4%
Interest expense - related party	385	552	167	-30.2%	2,923	729	2,194	301.0%
Loss (gain) on extinguishment of debt	-	-	-	nm	-	57	(57)	-100.0%
Loss on debt issuance	-	-	-	nm	-	-	-	-
Change in fair value of warrant liability	(154)	-	(154)	nm	(1,807)	-	(1,807)	nm

<i>(\$ in Thousands)</i>	<i>Three Months Ended June 30, 2024</i>	<i>Three Months Ended June 30, 2023</i>	<i>Period-over-Period \$</i>	<i>Period-over-Period %</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over-Year \$</i>	<i>Year-over-Year %</i>
Change in fair value of warrant liability - related party	(230)	-	(230)	nm	115	-	115	nm
Loss on modification of simple agreement for future equity	-	-	-	nm	-	121	(121)	-100.0%
Loss on modification of simple agreement for future equity - related party	-	-	-	nm	-	1,602	(1,602)	-100.0%
Change in fair value of simple agreement for future equity	-	69	(69)	-100.0%	(208)	308	(516)	-167.5%
Change in fair value of simple agreement for future equity - related party	-	909	(909)	-100.0%	(2,752)	4,078	(6,830)	-167.5%
Change in fair value of bifurcated embedded derivative liabilities	-	(194)	194	-100.0%	(1,405)	254	(1,659)	-653.1%
Change in fair value of bifurcated embedded derivative liabilities - related party	-	(478)	478	-100.0%	(3,063)	607	(3,670)	-604.6%
Change in fair value of convertible promissory notes	34	-	34	nm	(34)	-	(34)	nm
Yorkville prepayment premium expense	81	-	81	nm	-	-	-	-
Total other (income) expenses	\$ 576	\$ 1,357	\$ (780)	-57.5%	\$ 4,610	\$ 9,256	\$ (4,646)	-50.2%
Loss before income taxes	\$ (4,158)	\$ (3,474)	\$ (685)	19.7%	\$ (14,406)	\$ (15,468)	\$ 1,062	-6.9%
Income tax (benefit) expense	7	12	(5)	-46.9	-	-	-	nm
Net loss	\$ (4,165)	\$ (3,486)	\$ (679)	19.5%	\$ (14,406)	\$ (15,468)	\$ 1,062	-6.9%

The percentage changes included in the tables herein that are not considered meaningful are presented as "nm".

## Components of Results of Operations

### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

#### Revenue Analysis

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over-Period \$</i>	<i>Period-over-Period %</i>
Revenue	\$ 2,148	\$ 2,370	\$ (222)	-9.4%

For the six months ended June 30, 2024, Banzai reported total revenue of approximately \$2,148 thousand, representing a decrease of approximately \$222 thousand, or approximately 9.4%, compared to the three months for the same period ended June 30, 2023. This decrease is primarily attributable to lower Reach revenue which declined by approximately \$84 thousand due to a shift in Banzai's focus to its Demio product and decision, which decision was reversed in the later part of Q1 2024, to begin phasing out the Reach product. In 2024 Banzai is revitalizing its focus on the Reach product through re-engineering and expanded sales efforts. Demio revenue was lower by approximately \$133 thousand for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 due to churn and lower new sales period-over-period.

### Cost of Revenue Analysis

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Cost of revenue	\$ 711	\$ 792	\$ (81)	-10.2%

For the six months ended June 30, 2024 and 2023, Banzai's cost of revenue totaled approximately \$711 thousand and approximately \$792 thousand, respectively. This represents a decrease of approximately \$81 thousand, or approximately 10.2%, for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023, is due primarily to lower customer base and an approximately 13% lower average cost per customer, driven by lower infrastructure costs / data licenses of approximately \$113 thousand, contracted services of approximately \$46 thousand, subscription payroll of approximately \$28 thousand, and merchant fee costs of approximately \$7 thousand. The lower contracted services and data licenses cost described above were offset by the increase of the streaming services costs of approximately \$113 thousand.

### Gross Profit Analysis

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Gross profit	\$ 1,437	\$ 1,578	\$ (141)	-8.9%

For the six months ended June 30, 2024 and 2023, Banzai's gross profit was approximately \$1,437 thousand and approximately \$1,578 thousand, respectively. This represents a decrease of approximately \$141 thousand, or approximately 8.9% due to the decreases in revenue of approximately \$222 thousand and decreases in cost of revenue of approximately \$81 thousand described above.

### Operating Expense Analysis

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Total operating expenses	\$ 8,631	\$ 6,103	\$ 2,528	41.4%

Total operating expenses for the six months ended June 30, 2024 and 2023, were approximately \$8.6 million and approximately \$6.1 million, respectively, an increase of approximately \$2.5 million, or 41.4%. This increase was due primarily to an overall increase in salaries and related expenses by approximately \$0.5 million, marketing expenses by approximately \$0.5 million, costs associated with audit, technical accounting, and legal and other professional services of approximately \$1.5 million.

### Other Expense Analysis

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Total other expenses (income)	\$ 1,465	\$ 2,711	\$ (1,246)	-46.0%



For the six months ended June 30, 2024, Banzai reported total other expenses of approximately \$1.5 million. This represents a decrease of approximately \$1.2 million from the six months ended June 30, 2023, when the Company reported total other expenses of approximately \$2.7 million. The change in other expenses, net was primarily driven by the following:

- GEM settlement commitment fee expense of approximately \$0.2 million.
- Gain on extinguishment of debt of approximately \$0.5 million.
- There were no changes in fair value of the simple agreement for future equity (“SAFEs”) during the six months ended June 30, 2024 relative to a loss of approximately \$1.3 million, approximately \$1.2 million of which related to related party SAFEs. All SAFEs notes were converted at the close of the Merger in December 2023.
- Loss on issuance of debt of approximately \$0.2 million.
- Change in fair value of warrant liability recorded as a gain (third party & related party) of approximately \$0.9 million.
- Interest expense (third party and related party) decreased by approximately \$0.2 million.
- There were no changes in fair value of bifurcated embedded derivative liabilities during the six months ended June 30, 2024 relative to a gain of approximately \$0.5 million during the six months ended June 30, 2023.
- Change in fair value of convertible promissory notes recorded as a loss of approximately \$0.6 million.

#### **Provision for Income Taxes**

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Income tax expense	\$ 6	\$ 16	\$ (10)	-62.5%

For the six months ended June 30, 2024 and 2023, Banzai’s reported provision for income tax expense was \$6 thousand and \$16 thousand, respectively.

Due to Banzai’s history of losses since inception, there is not enough evidence at this time to support that Banzai will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since Banzai cannot currently support that realization of its deferred tax assets is more likely than not.

At June 30, 2024, Banzai had no unrecognized tax benefits that would reduce Banzai’s effective tax rate if recognized.

#### **Net Loss Analysis**

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Net loss	\$ (8,665)	\$ (7,251)	\$ (1,414)	19.5%

For the six months ended June 30, 2024 and 2023, Banzai reported net losses of approximately \$8.7 million and approximately \$7.3 million, respectively. The greater net loss is primarily due to a reduction in total other expenses of approximately \$1.2 million during the six months ended June 30, 2024 compared to the six months ended June 30, 2023, offset by an increase in operating expenses of approximately \$2.5 million and a decrease in gross profit of approximately \$0.1 million.

## Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

### Revenue Analysis

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Revenue	\$ 4,561	\$ 5,333	\$ (772)	-14.5%

For the year ended December 31, 2023, Banzai reported total revenue of \$4.6 million, representing a decrease of \$0.8 million, or approximately 14.5%, over 2022. This decrease is primarily attributable to lower Reach revenue which declined by approximately \$0.55 million due to a shift in Banzai's focus to its Demio product and decision, which decision was reversed in 2024, to begin phasing out the Reach product. In 2024 Banzai is revitalizing its focus on the Reach product through re-engineering and expanded sales efforts. Demio revenue was lower by \$0.19 million in 2023 as compared to 2022 due to churn and lower new sales year-over-year.

### Cost of Revenue Analysis

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Cost of revenue	\$ 1,445	\$ 1,957	\$ (512)	-26.2%

For the years ended December 31, 2023 and 2022, Banzai's cost of revenue totaled \$1.4 million and \$2.0 million, respectively. This represents a decrease of \$0.5 million, or approximately 26.2%, in 2023 compared to 2022, due primarily to lower customer base and an approximately 5% lower cost per average customer, driven by lower contracted services and data licenses costs of approximately \$0.3 million and \$0.2 million, respectively.

### Gross Profit Analysis

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Gross profit	\$ 3,116	\$ 3,376	\$ (260)	-7.7%

For the years ended December 31, 2023 and 2022, Banzai's gross profit was \$3.1 million and \$3.4 million, respectively. This represents a year-over-year decrease of \$0.3 million, or approximately 7.7% due to the decreases in revenue of \$0.8 million and decreases in cost of revenue of \$0.5 million described above.

### Operating Expense Analysis

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Total operating expenses	\$ 12,912	\$ 9,588	\$ 3,324	34.7%

Total operating expenses for the years ended December 31, 2023 and 2022, were \$12.9 million and \$9.6 million, respectively, signifying a year-over-year increase of approximately \$3.3 million, or 34.7%. This increase was due primarily to fees associated with the Business Combination and the initial public offering of our predecessor, 7GC, including the cost associated with audit, technical accounting, legal and other professional services of approximately \$3.7 million, primarily offset by the loss on impairment of lease of \$0.3 million.

### Other Expense Analysis

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Total other (income) expenses	\$ 4,610	\$ 9,256	\$ (4,646)	-50.2%

For the year ended December 31, 2023, Banzai reported total other expenses of \$4.6 million. This represents a decrease of \$4.6 million from the year ended December 31, 2022, when the Company reported total other expenses of \$9.3 million. The change in other expenses (income), net was primarily driven by the following:

- The cost associated with the Yorkville SEPA, of \$3.8 million.
- GEM warrants issued as a financing expense of approximately \$2.4 million.
- GEM commitment fee expense of \$2.0 million.
- Changes in fair value of the simple agreement for future equity (“SAFEs”) was a gain of \$3.0 million in 2023, of which \$2.8 million pertained to related party SAFEs. This represents a net change of \$7.3 million from the 2022 loss of \$4.4 million, \$4.1 million of which related to related party SAFEs.
- Loss on modification of SAFEs was \$1.7 million in 2022, \$1.6 million of which was related to related party SAFEs, with no equivalent modification or resulting gain or loss in 2023.
- Changes in fair value of warrant liability was a gain of \$1.7 million in 2023, with a loss of \$0.1 million related to related party warrant liabilities. These warrants, both third party and related party, were issued and assumed in 2023, and as such, there was no equivalent gain or loss on warrant liabilities in 2022.
- Interest expense increased by \$3.2 million (\$2.2 million due to related party) year-over-year to \$5.6 million for the year ended December 31, 2023 (\$2.9 million for related party) due to the company raising additional interest bearing debt during 2023.
- Changes in fair value of bifurcated embedded derivative liabilities was a gain of \$4.5 million (\$3.1 million for related party) as of December 31, 2023, relative to a loss of \$0.9 million in 2022.

### Provision for Income Taxes

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Provision for income taxes	\$ -	\$ -	\$ -	nm

For the years ended December 31, 2023 and 2022, Banzai’s reported provision for income tax expense was \$0.0 million and \$0.0 million, respectively. There was no year-over-year increase or decrease to income tax expense.

As of December 31, 2023, the Company had federal and state net operating loss carryforwards of approximately \$26,705,200 and \$13,043,900, respectively. As of December 31, 2022, the Company had federal and state net operating loss carryforwards of approximately \$15,325,300 and \$9,175,400, respectively. Federal losses of \$124,500 begin to expire in 2036 and \$26,580,700 of the federal losses carryforward indefinitely. State losses of \$10,666,100 begin to expire in 2031 and \$2,377,800 of the state losses carryforward indefinitely. Utilization of the net operating loss carryforwards may be subject to an annual limitation according to Section 382 of the Internal Revenue Code of 1986 as amended, and similar provisions.

Banzai has determined, based upon available evidence, that it is more likely than not that all of the net deferred tax assets will not be realized and, accordingly, has provided a full valuation allowance against its net deferred tax asset. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, net operating loss carryback potential, and tax planning strategies in making these assessments. Banzai has determined that it had no material uncertain tax benefits for the years ended December 31, 2023 and 2022.

Banzai recognizes interest accrued for unrecognized tax benefits and penalties in interest expense and penalties in operating expense. No amounts were accrued for the payment of interest and penalties at December 31, 2023, and 2022. Banzai files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, Banzai is subject to examination by federal and state jurisdictions where applicable based on the statute of limitations that apply in each jurisdiction. Our 2016 and subsequent tax years remain open to examination by the IRS. Banzai had no open tax audits with any taxing authority as of December 31, 2023.

### *Net Loss Analysis*

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year-over- Year \$</i>	<i>Year-over- Year%</i>
Net loss	\$ (14,406)	\$ (15,468)	\$ 1,062	-6.9%

For the years ended December 31, 2023 and 2022, Banzai reported net losses of \$14.4 million and \$15.5 million, respectively. This improvement is primarily due to a reduction in total other expenses of \$4.6 million in 2023 compared to 2022, offset by an increase in operating expenses of \$3.3 million and a decrease in gross profit of \$0.3 million.

### **Critical Accounting Estimates**

Our consolidated financial statements have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable 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. Our actual results may differ from these estimates under different assumptions or conditions. On a recurring basis, we evaluate our judgments and estimates in light of changes in circumstances, facts, and experience. The effects of material revisions in an estimate, if any, will be reflected in the consolidated financial statements prospectively from the date of the change in the estimate.

We believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

#### *Impairment of goodwill*

Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in a business combination. Goodwill is reviewed for impairment at least annually, in December, or more frequently if a triggering event occurs between impairment testing dates. As of December 31, 2023, the Company had one operating segment, which was deemed to be its reporting unit, for the purpose of evaluating goodwill impairment.

The Company's impairment assessment begins with a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Qualitative factors may include, macroeconomic conditions, industry and market considerations, cost factors, and other relevant entity and Company specific events. If, based on the qualitative test, the Company determines that it is "more likely than not" that the fair value of a reporting unit is less than its carrying value, then we evaluate goodwill for impairment by comparing the fair value of our reporting unit to its respective carrying value, including its goodwill. If it is determined that it is not likely that the fair value of the reporting unit is less than its carrying value, then no further testing is required.

The selection and assessment of qualitative factors used to determine whether it is more likely than not that the fair value of a reporting unit exceeds the carrying value involves significant judgment and estimates. Fair values may be determined using a combination of both income and market-based approaches.

*Recognition and measurement of convertible and Simple Agreement for Future Equity (SAFE) notes, including the associated embedded derivatives*

The Company accounts for SAFEs at fair value in accordance with Accounting Standards Codification (“ASC”) 480 *Distinguishing Liabilities from Equity*. The SAFEs are subject to revaluation at the end of each reporting period, with changes in fair value recognized in the accompanying Consolidated Statement of Operations.

The Company evaluates all its financial instruments to determine if such instruments contain features that qualify as embedded derivatives. Embedded derivatives must be separately measured from the host contract if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the statement of operations each period. Bifurcated embedded derivatives are classified with the related host contract in the Company’s balance sheet.

*Determination of the fair value of the warrant liabilities*

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and FASB ASC Topic 815, “Derivatives and Hedging” (“ASC 815”). 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.

*Public Warrants*

The Public Warrants are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s consolidated statements of operations.

The Public Warrants were initially measured at fair value using a Monte Carlo simulation model and have subsequently been measured based on the listed market price of such warrants. The determination of the fair value of the warrant liabilities may be subject to change as more current information becomes available and accordingly the actual results could differ significantly. Warrant liabilities are classified as current liabilities on the Company’s consolidated balance sheets.

*GEM Warrants*

The GEM Warrants were not considered indexed to the issuer’s stock as the holder’s ability to receive one percent of the total consideration received by the Company’s stockholders in connection with a Change of Control in lieu of the GEM Warrant, where the surviving corporation is not publicly traded, adjusts the settlement value based on items outside the Company’s control in violation of the fixed-for-fixed option pricing model. As such, the Company recorded the Warrants as liabilities initially measured at fair value with subsequent changes in fair value recognized in earnings each reporting period.

The measurement of fair value was determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion). The Company determined the GEM Warrants were share issuance costs associated with an aborted offering. Aborted offering costs may not be deferred and charged against proceeds of a subsequent offering. As such, the Company recorded an expense for the corresponding fair value.

#### *Recognition and measurement of stock compensation*

The Company expenses stock-based compensation to employees and non-employees over the requisite service period based on the estimated grant-date fair value of the awards in accordance with ASC 718, Stock Compensation. The Company accounts for forfeitures as they occur. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

### **Non-GAAP Financial Measures**

#### *Adjusted EBITDA*

In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA, a non-GAAP measure as defined below, is useful in evaluating our operational performance distinct and apart from certain irregular, non-cash, and non-operational expenses. We use this information for ongoing evaluation of operations and for internal planning purposes. We believe that non-GAAP financial information, when taken collectively with results under GAAP, may be helpful to investors in assessing our operating performance and comparing our performance with competitors and other comparable companies.

Non-GAAP measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. We endeavor to compensate for the limitation of Adjusted EBITDA, by also providing the most directly comparable GAAP measure, which is net loss, and a description of the reconciling items and adjustments to derive the non-GAAP measure. Some of these limitations are:

- Adjusted EBITDA does not consider the potentially dilutive impact of stock-based compensation;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect impairment and restructuring costs;
- Adjusted EBITDA does not reflect interest expense or other income;
- Adjusted EBITDA does not reflect income taxes;
- Adjusted EBITDA does not reflect audit, legal, incremental accounting and other expenses tied to M&A or the Business Combination; and
- Other companies, including companies in our own industry, may calculate Adjusted EBITDA differently from the way we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should only be considered alongside results prepared in accordance with GAAP, including various cash-flow metrics, net income (loss) and our other GAAP results and financial performance measures.

*Adjusted EBITDA Analysis for the six months ended June 30, 2024 and 2023*

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Adjusted EBITDA (Loss)	\$ (3,351)	\$ (1,562)	\$ (1,789)	114.5%

For the six months ended June 30, 2024, Banzai's Adjusted EBITDA was approximately \$3,552 thousand, reflecting a decrease in the earnings of approximately \$2,159 thousand compared to a loss of approximately \$1,393 thousand for the six months ended June 30, 2023. This period-over-period decrease in earnings is primarily attributable to increased general and administrative expenses.

*Net Income/(Loss) to Adjusted EBITDA Reconciliation for the six months ended June 30, 2024 and 2023*

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Net loss	\$ (8,665)	\$ (7,251)	\$ (1,414)	19.5%
Other income, net	60	(85)	145	-170.6%
Depreciation expense	3	4	(1)	-25.0%
Stock based compensation	665	621	44	7.1%
Interest expense	847	1,059	(212)	-20.0%
Interest expense - related party	963	936	27	2.9%
Income tax expense	6	16	(10)	-62.5%
GEM settlement fee expense	200	—	200	nm
Gain on extinguishment of liability	(528)	—	(528)	nm
Loss on debt issuance	171	—	171	nm
Change in fair value of warrant liability	(562)	—	(562)	nm
Change in fair value of warrant liability - related party	(345)	—	(345)	nm
Change in fair value of simple agreement for future equity	—	91	(91)	-100.0%
Change in fair value of simple agreement for future equity - related party	—	1,213	(1,213)	-100.0%
Change in fair value of bifurcated embedded derivative liabilities	—	(162)	162	-100.0%
Change in fair value of bifurcated embedded derivative liabilities - related party	—	(341)	341	-100.0%
Change in fair value of convertible notes	578	—	578	nm
Yorkville Prepayment premium expense	81	—	81	nm
Transaction related expenses*	3,175	2,337	838	35.9%
Adjusted EBITDA (Loss)	<u>\$ (3,351)</u>	<u>\$ (1,562)</u>	<u>\$ (1,789)</u>	<u>114.5%</u>

\* Transaction related expenses include

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period-over- Period \$</i>	<i>Period-over- Period %</i>
Professional fees - audit	\$ 370	\$ 427	\$ (57)	-13.3%
Professional fees - legal	1,362	107	1,255	1177.4%
Incremental accounting	959	1,495	(536)	-35.8%
Market study, M&A support	484	308	176	57.3%
Transaction related expenses	<u>\$ 3,175</u>	<u>\$ 2,337</u>	<u>\$ 838</u>	<u>35.9%</u>

#### Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year- over- Year \$</i>	<i>Year- over- Year%</i>
Adjusted EBITDA (Loss)	\$ (10,218)	\$ (4,826)	\$ (5,392)	111.7%

For the year ended December 31, 2023, Banzai's Adjusted EBITDA (loss) was \$10.2 million, reflecting an increase in the loss of \$5.4 million from \$4.8 million for the year ended December 31, 2022. This year-over-year increase in loss is primarily attributable to increased general and administrative expenses.

#### Net Income/(Loss) to Adjusted EBITDA Reconciliation

<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year- over- Year \$</i>	<i>Year- over- Year%</i>
Net loss	\$ (14,406)	\$ (15,468)	\$ 1,062	-6.9%
Other income, net	(63)	(151)	88	-58.3%
Depreciation expense	7	10	(3)	-30.0%
Stock based compensation	1,246	770	476	61.8%
Interest expense	2,631	1,651	980	59.4%
Interest expense - related party	2,923	729	2,194	301.0%
Provision for income taxes	-	-	-	nm
Loss (gain) on extinguishment of debt	-	57	(57)	-100.0%
Loss on modification of simple agreement for future equity	-	121	(121)	-100.0%
Loss on modification of simple agreement for future equity - related party	-	1,602	(1,602)	-100.0%
Change in fair value of simple agreement for future equity	(208)	308	(516)	-167.5%
Change in fair value of simple agreement for future equity - related party	(2,752)	4,078	(6,830)	-167.5%
Change in fair value of bifurcated embedded derivative liabilities	(1,405)	254	(1,659)	-653.1%
Change in fair value of bifurcated embedded derivative liabilities - related party	(3,063)	607	(3,670)	-604.6%
Transaction related expenses*	4,746	304	4,442	1461.2%
Adjusted EBITDA	<u>\$ (10,218)</u>	<u>\$ (4,826)</u>	<u>\$ (5,392)</u>	<u>111.7%</u>

\* Transaction related expenses include:



<i>(\$ in Thousands)</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year- over- Year \$</i>	<i>Year- over- Year%</i>
Professional fees - audit	\$ 560	\$ -	\$ 560	nm
Professional fees - legal	254	102	152	149.0%
Incremental accounting	2,731	202	2,529	1252.0%
Market study, M&A support	1,201	-	1,201	nm
Transaction related expenses	\$ 4,746	\$ 304	\$ 4,442	1461.2%

## Liquidity and Capital Resources

### Going Concern

Since inception, Banzai has financed its operations primarily from the sales of redeemable convertible preferred stock and convertible promissory notes and proceeds from senior secured loans. As of June 30, 2024, Banzai had cash of approximately \$0.5 million.

Banzai has incurred losses since its inception, had a working capital deficit of approximately \$34.0 million as of June 30, 2024, and had an accumulated deficit on June 30, 2024 totaling approximately \$55.5 million. As of June 30, 2024, Banzai had approximately \$10.6 million and approximately \$5.5 million aggregate principal amount outstanding on term/promissory notes and convertible notes, respectively. During the six months ended June 30, 2024, Banzai raised additional capital under the SEPA through the issuance of additional convertible notes for a total of approximately \$4.5 million to fund the Company's operations. Additionally, during the six months ended June 30, 2024, the Company issued non-cash share payments of approximately \$1.8 million in partial settlement of the Yorkville Promissory Note financing and made an approximately \$0.5 million non-cash share payment to settle the deferred fee liability payable to Yorkville in terms of the SEPA. In May 2024 the Company entered into the Amended Repayment Agreement which extended the maturity date on the convertible notes to September 25, 2024, and pursuant to which the Company made a cash payment of \$0.8 million in partial settlement of the Yorkville Promissory Notes. These stock issuances described herein do not represent sources of new capital, rather the issuances were made to settle existing liabilities in lieu of cash payments, as described above. Banzai has historically used debt financing proceeds principally to fund operations. On May 22, 2024, Banzai entered into a securities purchase agreement with accredited investors, providing for the issuance and sale of Common Stock, Pre-Funded Warrants, and Common Warrants in a registered direct offering. The aggregate gross proceeds to the Company from such offering were approximately \$2.5 million.

Banzai intends to seek additional funding through the SEPA arrangement and other equity financings in 2024. If Banzai is unable to raise such funding, Banzai will have to pursue an alternative course of action to seek additional capital through other debt and equity financing.

If Banzai is unable to raise sufficient additional capital, through future debt or equity financings or through strategic and collaborative ventures with third parties, Banzai will not have sufficient cash flows and liquidity to fund its planned business for the next 12 months. There can be no assurances that Banzai will be able to secure alternate forms of financing at terms that are acceptable to management. In that event, Banzai might be forced to limit many of its business plans and consider other means of creating value for its stockholders. Based on the factors described above, and after considering management's plans, there is substantial doubt about Banzai's ability to continue as a going concern within one year from the date hereof. The condensed consolidated financial statements found elsewhere in this report, have been prepared assuming Banzai will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

## Cash Flows

The following table sets forth Banzai's cash flows for the six months ended June 30, 2024 and 2023 and the years ended December 31, 2023 and 2022:

<i>(\$ in Thousands)</i>	<i>Six Months Ended June 30, 2024</i>	<i>Six Months Ended June 30, 2023</i>	<i>Period- over- Period \$</i>	<i>Period- over- Period %</i>	<i>Year Ended December 31, 2023</i>	<i>Year Ended December 31, 2022</i>	<i>Year- over- Year \$</i>	<i>Year- over- Year%</i>
Net loss	\$ (8,665)	\$ (7,251)	\$ (1,414)	19.5%	\$ (14,406)	\$ (15,469)	\$ 1,063	-6.9%
Adjustments to reconcile net loss to net cash used in operating activities:								
Net cash used in operating activities	4,853	3,205	1,648	51.4%	12,855	10,300	2,555	24.8%
Net cash used in investing activities	(3,813)	(4,047)	234	-5.8%	(1,551)	(5,168)	3,617	-70.0%
Net cash provided by financing activities	-	-	-	nm	-	(11)	11	-100.0%
Net increase / (decrease) in cash	2,191	3,446	(1,255)	-36.4%	2,621	4,416	(1,795)	-40.6%
Net increase / (decrease) in cash	(1,622)	(600)	(1,022)	170.3%	1,070	(763)	1,833	-240.2%

### *Cash Flows for the six months ended June 30, 2024*

Net cash used in operating activities was approximately \$3.8 million for the six months ended June 30, 2024. Net cash used in operating activities consists of net loss of approximately \$8.7 million, offset by total adjustments of approximately \$4.9 million for non-cash items and the effect of changes in working capital. Non-cash adjustments included non-cash settlement of the GEM commitment fee of approximately \$0.2 million, non-cash share issuance for marketing expenses of approximately \$0.2 million, non-cash share issuance for Yorkville redemption premium of approximately \$0.1 million, stock-based compensation expense of approximately \$0.7 million, gain on extinguishment of liability of approximately \$0.5 million, non-cash interest expense of approximately \$0.8 million (approximately \$0.18 million for related party), amortization of debt discount and issuance costs of approximately \$0.9 million (approximately \$0.8 million for related party), amortization of operating lease ROU assets of approximately \$0.09 million, fair value adjustment for warrant liabilities gain of approximately \$0.9 million (gain of approximately \$0.3 million for related party), fair value adjustment of convertible promissory notes of approximately \$0.6 million, and net of change in operating assets and liabilities of approximately \$2.7 million.

There were no net cash investing activities for the six months ended June 30, 2024.

Net cash provided by financing activities was approximately \$2.2 million for the six months ended June 30, 2024, and was primarily related to proceeds from convertible debt financing of approximately \$2.3 million, net proceeds from issuance of common stock of approximately \$1.9 million, repayment of Yorkville convertible notes of approximately \$0.8 million, and payment of the GEM commitment fee of approximately \$1.2 million.

### *Cash Flows for the six months ended June 30, 2023*

Net cash used in operating activities was approximately \$4.0 million for the six months ended June 30, 2023. Net cash used in operating activities consists of net loss of approximately \$7.3 million, total adjustments of approximately \$3.2 million for non-cash items and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense of approximately \$0.6 million, non-cash interest expense of approximately \$0.7 million (approximately \$0.21 million for related party), amortization of debt discount and issuance costs of approximately \$1.0 million (approximately \$0.7 million for related party), amortization of operating lease ROU assets of approximately \$0.09 million, fair value adjustments to simple agreement for future equity of approximately \$1.3 million (approximately \$1.2 million for related party), fair value adjustments to bifurcated embedded derivative liabilities of approximately \$0.5 million (approximately \$0.3 million for related party), and net of change in operating assets and liabilities of approximately \$0.1 million.

There were no net cash investing activities for the six months ended June 30, 2023.

Net cash provided by financing activities was approximately \$3.4 million for the six months ended June 30, 2023, and was primarily related to proceeds from the issuance of convertible note, net of issuance costs of approximately \$3.4 million (approximately \$2.6 million for related party).

#### ***Cash Flows for the Year Ended December 31, 2023***

Net cash used in operating activities was \$1.6 million for the year ended December 31, 2023. Net cash used in operating activities consists of net loss of \$14.4 million, offset by total adjustments of \$12.9 million for non-cash items and the effect of changes in working capital. Non-cash adjustments included non-cash issuance of shares to Yorkville in terms of the aggregate commitment fee of \$3.3 million, non-cash issuance of warrants accounted for as liabilities of \$2.4 million, non-cash GEM commitment fee of \$2.0 million, stock-based compensation expense of \$1.2 million, non-cash interest expense of \$1.2 million (\$0.5 million for related party), amortization of debt discount and issuance costs of \$3.4 million (\$2.4 million for related party), amortization of operating lease ROU assets of \$0.2 million, fair value adjustments to simple agreement for future equity gain of \$3.0 million (gain of \$2.8 million for related party), fair value adjustments to bifurcated embedded derivative liabilities gain of \$4.5 million (gain of \$3.1 million for related party), fair value adjustment for warrant liabilities gain of \$1.7 million (loss of \$0.1 million for related party), and net of change in operating assets and liabilities of \$8.1 million.

There were no net cash investing activities for the year ended December 31, 2023.

Net cash provided by financing activities was \$2.6 million for the year ended December 31, 2023, and was primarily related to proceeds from convertible debt financing of \$5.8 million (\$2.6 million for related party), related party note payable financing of \$4.4 million, offset by the effect of the Business Combination, net of transaction costs of \$7.6 million.

#### ***Cash Flows for the Year Ended December 31, 2022***

Net cash used in operating activities was \$5.2 million for the year ended December 31, 2022. Net cash used in operating activities consists of net loss of \$15.5 million, total adjustments of \$10.3 million for non-cash items and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense of \$0.8 million, non-cash interest expense of \$0.9 million (\$0.1 million for related party), bad debt expense of \$(0.1 million), amortization of debt discount and issuance costs of \$0.7 million (\$0.5 million for related party), amortization of operating lease ROU assets of \$0.2 million, impairment of operating lease ROU assets of \$0.3 million, loss on extinguishment of debt of \$0.1 million, loss on modification of SAFE \$1.7 million (\$1.6 million for related party), fair value adjustments to simple agreement for future equity of \$4.4 million (\$4.0 million for related party), fair value adjustments to bifurcated embedded derivative liabilities of \$0.9 million (\$0.6 million for related party), and net of change in operating assets and liabilities of \$0.5 million.

Net cash used in investing activities was \$(0.01) million for the year ended December 31, 2022, and was primarily related to the purchase of equipment.

Net cash provided by financing activities was \$4.4 million for the year ended December 31, 2022, and was primarily related to convertible debt financing of \$5.9 million (\$4.2 million for related party), net of deferred offering cost payment of \$1.5 million.

## Capital Expenditure Commitments and Financing Requirements

<i>(\$ in Thousands)</i>	Total	Less than 1 year	1 - 3 Years
Debt principal - 14% CP BF convertible notes	\$ 1,821	\$ 1,821	\$ -
Debt principal - 14% CP BF term notes	6,500	6,500	-
Debt principal - 8% Alco promissory notes	4,400	4,400	-
Debt principal - Yorkville Convertible promissory note	1,950	1,950	-
Debt principal - GEM promissory note	600	600	-
Interest on debt	3,233	3,233	-
Operating leases	83	83	-
Total capital expenditure commitments and financing requirements at June 30, 2024	\$ 18,587	\$ 18,587	\$ -

### ***Debt principal - 14% CP BF convertible and term notes***

On February 19, 2021, the Company entered into a loan agreement with CP BF Lending, LLC (“CP BF”) for \$8,000,000 (the “Loan Agreement”). The Loan Agreement was comprised of a Term Note for \$6,500,000 and a Convertible Note for \$1,500,000, with the option upon the request of the Company for Additional Loan (“Additional Loan”) principal amount of up to \$7,000,000, evidenced by additional notes with 81.25% of the principal amount of such Additional Loan being evidenced by a Term Note, and 18.75% of the principal amount of such an Additional Loan being evidenced by a Convertible Note. The Term Note bears cash interest at a rate of 14% per annum paid monthly and accrued interest payable-in-kind (“PIK”) cumulatively at 1.5% per annum. The outstanding principal balance of the Term Note together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on February 19, 2025 (“Loan Maturity Date”). The Convertible Note accrues PIK interest cumulatively at a rate of 15.5% per annum, and is convertible into Class A Common Stock upon Qualified Financing (as defined in the agreement), upon a Change of Control (as defined in the agreement), upon Prepayment, or at Maturity at a fixed conversion price. If not sooner converted or prepaid, the Convertible Note principal together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on the Loan Maturity Date. Upon the occurrence, and during the continuance, of an Event of Default (as defined in the agreement), interest on the Term Note will bear cash interest at a per annum rate of 20% (“Default Rate”) and no PIK interest shall accrue at any time during an Event of Default and the Convertible Note will bear PIK Interest at a per annum at the Default Rate.

Additionally, the Company may voluntarily prepay the Principal of the Loans, in accordance with their terms, in whole or in part at any time. On the date of any such prepayment, the Company will owe to Lender: (i) all accrued and unpaid Cash Interest with respect to the principal amount so prepaid through the date the prepayment is made; (ii) if such prepayment is prior to the twelve-month anniversary of the Closing Date, all unpaid interest (including for the avoidance of doubt, PIK Interest and Cash Interest) with respect to the principal amount so prepaid that would have been due and payable on or prior to the twelve-month anniversary of the Closing Date had the Loans remained outstanding until such twelve-month anniversary date (the “Yield Maintenance Premium”); (iii) the Exit Fee with respect to the principal amount so prepaid, calculated as 1.0% of the outstanding principal balance of the Loans, with only the portion of the principal balance so converted counted for purposes of determining the applicable Exit Fee; and provided further, that, in the event of a partial prepayment of the Loans, the Exit Fee shall be calculated on the principal amount so repaid and not on the entire outstanding principal balance thereof, and (iv) all other Obligations, if any, that shall have become due and payable hereunder with respect to the principal amount so prepaid.

The Loan Agreement contains customary covenants, including restrictions on the Company’s ability to incur indebtedness, grant liens or security interest on assets, make acquisitions, loans, advances or investments, or sell or otherwise transfer assets, among others. The Loan Agreement also contains other financial covenants related to minimum gross profit margin, minimum ARR (Annual Recurring Revenue) growth rate, and fixed charge ratio, among other financial covenants per the terms of the Loan Agreement. The Loan Agreement is secured by a first-priority Lien (subject to Permitted Liens) on and security interest in the Collateral pursuant to the terms of the Collateral Documents. The Loan Agreement named Joseph Davy, CEO, as Guarantor, and per the term of the Loan Agreement, he is willing to guarantee the full payment, performance and collection of all of the Credit Parties’ obligations thereunder and under the Loan Agreement, all as further set forth therein.

For all respective periods presented, the Company was not in compliance with the Minimum Gross Profit Margin covenant in section 7.14.1 of the Loan Agreement, the Minimum ARR Growth covenant in section 7.14.2 of the Loan Agreement, and the Fixed Charge Coverage Ratio covenant in section 7.14.3 of the Loan Agreement. As a result of the Company's noncompliance with the financial covenants, the entire principal amount and all unpaid and accrued interest will be classified as current on the Company's consolidated balance sheets.

Upon the occurrence of an Event of Default, and at any time thereafter unless and until such Event of Default has been waived by CP BF or cured to the satisfaction of Lender, subject to the exercise of customary commercial underwriting standards in determining such satisfaction, Lender may, without notice or demand to the Credit Parties declare the unpaid principal of and any accrued interest shall be immediately due and payable. While the Company and the Lender are engaged in good faith discussions to resolve these matters, no agreement to resolve such matters has been reached and all of the Loans remain in default for the reasons stated above, and the Lender is not presently exercising remedies, which the Lender reserves the right to so do at any time.

On October 10, 2022 the Loan Agreement was amended, where CP BF waived payment by the Company of four months of cash interest with respect to the Term Note in replacement for a Convertible Note ("First Amendment Convertible Note") in the principal amount of \$321,345, which is not considered an Additional Loan as defined above. The First Amendment Convertible Note has the same features as the Convertible Note described above.

#### *Modification of Term and Convertible Notes (CP BF)*

On August 24, 2023, the Company entered into a forbearance agreement (the "Forbearance Agreement") with CP BF Lending. Under the terms of this Forbearance Agreement, and as a result of the Company's non-compliance with certain covenants of its Loan Agreement with CP BF, CP BF agreed to (i) amend certain provisions of the Loan Agreement to clarify the treatment of the Merger with 7GC under the Loan Agreement, (ii) consent to the consummation of the Merger Agreement with 7GC and (iii) forbear from exercising any of its rights and remedies under the Loan Agreement with the Company from the effective date of the Forbearance Agreement until the earlier of (a) the four-month anniversary of the closing of the Merger if the Merger is closed on or prior to December 29, 2023, (b) December 29, 2023 if the Merger is not consummated on or prior to December 29, 2023 or (c) the date on which any Termination Event (as defined within the Forbearance Agreement) shall have occurred. In connection with the Forbearance Agreement, CP BF and the Company also agreed to amend and restate CP BF's existing convertible promissory notes (the "A&R CP BF Notes") so that they may remain outstanding following the closing of the Merger and, at CP BF's option, be convertible into Class A shares of the combined company.

On December 14, 2023, the Company entered into the First Amendment to the Forbearance Agreement with the Lender. In particular, the Company agreed to pay the Lender an amount in cash equal to \$23,748 (the "Amendment Fee") on the execution date to extend the forbearance period from the four-month anniversary of the closing of the Merger to the six-month anniversary of the closing of the Merger. This amendment was deemed to be a debt modification in accordance with ASC 470, Debt, which will be accounted for prospectively. Modification does not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

### ***Debt principal - 8% Alco promissory notes***

On August 30, 2023, the Company issued a subordinate promissory note (“Alco August Promissory Note”) in the aggregate principal amount of \$150,000 to Alco Investment Company, a related party. Alco held its ownership of over 10% of the issued equity of the Company, through its ownership of Series A preferred stock. The Alco August Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on the earlier of August 29, 2024 and the closing of the next transaction in which the Company sells for cash any of its equity securities (i) with net proceeds of greater than \$4,000,000 or (ii) pursuant to which the note holder acquires equity securities in an amount not less than the then-outstanding balance of the Alco August Promissory Note, as amended on May 30, 2024; such amendment also provides the holder with a purchase right should the company conduct an offering while the Alco August Promissory Note is outstanding. The Company recorded a \$3,711 debt discount upon issuance of the Alco August Promissory Note. For the six months ended June 30, 2024, interest expense on the Alco August Promissory Note totaled \$8,357, comprised of \$5,983 of contractual accrued interest and \$2,374 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$150,000 of principal and \$10,027 and \$4,044, respectively, of accrued interest is outstanding under the Alco August Promissory Note.

On September 13, 2023, the Company issued a subordinate promissory note (“Alco September Promissory Note”) in the aggregate principal amount of up to \$1,500,000 to Alco Investment Company, a related party. The Alco September Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on September 30, 2024. The Company recorded \$8,588 of debt issuance costs and a \$638,808 debt discount upon issuance of the Alco September Promissory Note, relating to the share transfer agreements, see below. For the six months ended June 30, 2024, interest expense on the Alco September Promissory Note totaled \$187,498, comprised of \$59,836 of contractual accrued interest and \$127,662 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$1,500,000 of principal and \$90,411 and \$30,575, respectively, of accrued interest is outstanding under the Alco September Promissory Note.

On November 16, 2023, the Company issued a subordinate promissory note (“Alco November Promissory Note”) in the aggregate principal amount of up to \$750,000 to Alco Investment Company, a related party. The Alco November Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on the earlier of August 29, 2024 and the closing of the next transaction in which the Company sells for cash any of its equity securities (i) with net proceeds of greater than \$4,000,000 or (ii) pursuant to which the note holder acquires equity securities in an amount not less than the then-outstanding balance of the Alco November Promissory Note, as amended on May 30, 2024; such amendment also provides the holder with a purchase right should the company conduct an offering while the Alco August Promissory Note is outstanding. The Company recorded a \$363,905 debt discount upon issuance of the Alco November Promissory Note relating to the share transfer agreements, see below. For the six months ended June 30, 2024, interest expense on the Alco November Promissory Note totaled \$217,249, comprised of \$29,918 of contractual accrued interest and \$187,331 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$750,000 of principal and \$31,375 and \$7,397, respectively, of accrued interest is outstanding under the Alco November Promissory Note.

On December 13, 2023, the Company issued a subordinate promissory note (“Alco December Promissory Note”) in the aggregate principal amount of up to \$2,000,000 to Alco Investment Company, a related party. The Alco December Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on December 31, 2024. The Company recorded a \$1,496,252 debt discount upon issuance of the Alco December Promissory Note, relating to the share transfer agreements, see below. For the six months ended June 30, 2024, interest expense on the Alco December Promissory Note totaled \$549,883, comprised of \$79,780 of contractual accrued interest and \$470,103 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$2,000,000 of principal and \$87,670 and \$7,890, respectively, of accrued interest is outstanding under the Alco December Promissory Note.

In connection with the issuances of the Alco September, November, and December Promissory Notes, the Company, 7GC and the Sponsor entered into share transfer agreements (the “Alco Share Transfer Agreements”) with Alco Investment Company. Pursuant to which for each \$500.00 in principal borrowed under the Alco September and November Promissory Notes, the Sponsor agreed to forfeit one share of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive one New Banzai Class A Share. For each \$500.00 in principal borrowed under the December Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three New Banzai Class A Shares. Such forfeited and issued shares under the Alco September, November, and December Promissory Notes are capped at an amount equal to 3,000, 1,500, and 12,000, respectively. Pursuant to the Alco Share Transfer Agreements, the shares are subject to an 180-day lock-up period upon issuance of the shares.

### ***Debt principal - 7GC Convertible promissory note***

The Company assumed two promissory notes in connection with the Merger which remained outstanding as of June 30, 2024. The promissory notes were issued on December 21, 2022 for a principal amount of \$2,300,000 (“December 2022 7GC Note”) and on October 3, 2023 for a principal amount of \$250,000 (“October 2023 7G Note, together with the December 2022 7GC Note, the “7GC Promissory Notes”). The 7GC Promissory Notes were issued to the Sponsor, 7GC & Co. Holdings LLC. The 7GC Promissory Notes do not bear interest and were repayable in full upon the earlier of the consummation of a business combination or the date the Company liquidates the trust account (the “Trust Account”) established in connection with the Company’s initial public offering (the “IPO”) upon the failure of the Company to consummate a business combination within the requisite time period. Under the original terms of the 7GC Promissory Notes, the Sponsor has the option, but not the obligation, to convert the principal balance of the Note, in whole or in part, into that number of shares of Class A common stock, \$0.0001 par value per share, of the Company equal to the principal amount of the Note so converted divided by \$10.00.

### ***Modification of Promissory Notes - 7GC***

On December 12, 2023, in connection with the Merger, the Sponsor came to a non-binding agreement (“First Amendment”) with the Company to amend the optional conversion provision of the 7GC Promissory Notes. The First Amendment provided that the holder has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the closing of the Merger (the “Closing”) at a conversion price equal to the average daily VWAP of Class A Common Stock for the 30 trading days following the Closing. This amendment was deemed to be a debt modification in accordance with ASC 470, Debt, which will be accounted for prospectively. Modification does not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future. Pursuant to ASC 470, if the modification or exchange of a convertible debt instrument is not accounted for as an extinguishment, the accounting for the change in the fair value of the embedded conversion option which increases the value of the embedded conversion option (calculated as the difference between the fair value of the embedded conversion option immediately before and after the modification or exchange) is recorded as a reduction to the carrying amount of the 7GC Promissory Notes with a corresponding increase to additional paid in capital. The 7GC Promissory Notes were converted in full and subsequently cancelled on March 6, 2024.

### ***Debt principal - Yorkville Convertible promissory note***

On December 14, 2023, in connection with and pursuant to the terms of its Standby Equity Purchase Agreement (“SEPA”) with YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP (“Yorkville”), (refer to *Note 15 - Equity* for further details), Yorkville agreed to advance to the Company, in exchange for convertible promissory notes, an aggregate principal amount of up to \$3,500,000, \$2,000,000 of which was funded at the Closing in exchange for the issuance by the Company of a Convertible Promissory Note (the “December Yorkville Convertible Note”). The Company received net proceeds of \$1,800,000 after a non-cash original issue discount of \$200,000.

On February 5, 2024, the Company and Yorkville entered into a supplemental agreement (the “SEPA Supplemental Agreement”) to increase the amount of convertible promissory notes allowed to be issued under SEPA by \$1,000,000 (the “Additional Pre-Paid Advance Amount”), for an aggregate principal amount of \$4,500,000 to be advanced by Yorkville to the Company in the form of convertible promissory notes. On February 5, 2024 in exchange for a promissory note in the principal amount of \$1,000,000 (the “February Yorkville Promissory Note”), with the same terms as the December Yorkville Convertible Note, the Company received net proceeds of \$900,000 after a non-cash original issue discount of \$100,000.

On March 26, 2024, the Company, in exchange for a convertible promissory note with a principal amount of \$1,500,000 (the “March Yorkville Promissory Note”, together with the December Yorkville Convertible Note and February Yorkville Promissory Note (the “Yorkville Promissory Notes”), received net proceeds of \$1,250,000 after a non-cash original issue discount of \$250,000 from Yorkville.

The Yorkville Convertible Notes have a maturity date of June 14, 2024, and accrue interest at 0% per annum, subject to an increase to 18% per annum upon events of default as defined in the agreement. As of June 30, 2024, no events of default have occurred.

On May 3, 2024, the Company and Yorkville entered into a Debt Repayment Agreement (the “Original Debt Repayment Agreement”) with respect to the Yorkville Promissory Notes. Under the Original Debt Repayment Agreement, Yorkville agreed that, upon completion of a Company registered offering and repayment of an aggregate \$2,000,000 outstanding under the Yorkville Promissory Notes (the “Original Repayment Amount”), Yorkville would not deliver to the Company any Investor Notice (as defined in the SEPA) and would not exercise its right to convert the remainder of the amount outstanding under the Promissory Notes for a period commencing on the date of the closing of the offering and ending on the date that is 90 days thereafter. Under the Original Debt Repayment Agreement, the Company and Yorkville also agreed to extend the maturity date of the Promissory Notes to the date that is 120 days after the closing of the offering and to satisfy the \$200,000 payment premium due in connection with an early redemption through the issuance of an Advance Notice (as defined in the SEPA) for shares of the Company’s Class A common stock, par value \$0.0001 per share. The Debt Repayment Agreement was conditioned on the completion of the offering by June 2, 2024.

On May 22, 2024, the Company and Yorkville entered into an Amended and Restated Debt Repayment Agreement (the “Amended Debt Repayment Agreement”) with respect to the Yorkville Promissory Notes, which amends and restates the Original Debt Repayment Agreement. Under the Amended Debt Repayment Agreement, Yorkville has agreed that, upon completion of a registered offering and repayment of an aggregate \$750,000 outstanding under the Yorkville Promissory Notes (the “Amended Repayment Amount”), Yorkville will not deliver to the Company any Investor Notice (as defined in the SEPA) and will not exercise its right to convert the remainder of the amount outstanding under the Promissory Notes for a period commencing on the date of the closing of the offering and ending on the date that is 90 days thereafter (the “Stand-still Period”); provided that the Company will seek any consents necessary to allow Yorkville to issue Investor Notices or exercise its right to convert the remainder of the amount outstanding under the Promissory Notes after a period of 60 days following the closing of the offering. Under the Amended Debt Repayment Agreement, the Company and Yorkville also agreed to extend the maturity date of the Promissory Notes to the date that is 120 days after the closing of the offering and to satisfy the \$75,000 payment premium due in connection with an early redemption through the issuance of an Advance Notice for shares of Class A Common Stock (the “Q2 Prepayment Premium”). The Amended Debt Repayment Agreement was conditioned on the completion of the offering by May 29, 2024, which condition was satisfied upon the closing of the offering on May 28, 2024 (the “May 2024 Offering”).

Pursuant to the terms of the Amended Repayment Agreement, the Company made a cash principal payment of \$750,000 on May 31, 2024 (the “Repayment Date”), and issued an Advance Notice for the purchase of 12,000 shares of Class A Common Stock (the “Premium Advance Shares”) (representing the number of shares the Company reasonably believed would be sufficient to result in net proceeds of \$75,000 as of the Repayment Date) (the “Premium Advance”). The total purchase price for the Premium Advance was \$110,040, of which \$75,000 was applied in satisfaction of the Payment Premium, and the remaining \$35,040 was paid by Yorkville to the Company in cash (the “Cash Surplus”). The Premium Advance Shares were recorded at fair value totaling \$115,800 on the Repayment Date, and the excess of fair value over the Cash Surplus was recorded to the consolidated statement of operations in line Yorkville prepayment premium expense.

Yorkville has the right to convert any portion of the outstanding principal into shares of Class A common stock at any time. The number of shares issuable upon conversion is equal to the amount of principal to be converted (as specified by Yorkville) divided by the Conversion Price (as defined in the Standby Equity Purchase Agreement disclosure in Note 15). Yorkville will not have the right to convert any portion of the principal to the extent that after giving effect to such conversion, Yorkville would beneficially own in excess of 9.99% of the total number of shares of Class A common stock outstanding after giving effect to such conversion.

Additionally, the Company, at its option, shall have the right, but not the obligation, to redeem early a portion or all amounts outstanding under the Promissory Notes at a redemption amount equal to the outstanding principal balance being repaid or redeemed, plus a 10% prepayment premium, plus all accrued and unpaid interest; provided that (i) the Company provides Yorkville with no less than ten trading days’ prior written notice thereof and (ii) on the date such notice is issued, the VWAP of Class A common stock is less than the Fixed Price.

Upon the occurrence of certain triggering events, as defined in the Yorkville Convertible Notes agreement (each an “Amortization Event”), the Company may be required to make monthly repayments of amounts outstanding under the Yorkville Convertible Notes, with each monthly repayment to be in an amount equal to the sum of (x) \$1,000,000, plus (y) 10% in respect of such amount, and (z) all outstanding accrued and unpaid interest as of each payment date.

During the six months ending June 30, 2024, \$800,000 of principal under the December Yorkville Convertible Note was converted into 35,940 shares of Class A Common stock of the Company and the full principal amount of \$1,000,000 under the February Yorkville Convertible Note was converted into 28,910 Class A Common stock of the Company.

As of June 30, 2024, and December 31, 2023, the principal amount outstanding under the Yorkville Convertible Notes was \$1.95 million and \$2 million, respectively. During the six months ended June 30, 2024, the Company recorded interest expense of \$80,760 in connection with the Yorkville Convertible Notes.

#### ***Debt principal - GEM Promissory Note***

On February 5, 2024, the Company and GEM entered into a settlement agreement (the “GEM Settlement Agreement”), pursuant to which (a) the Company and GEM agreed to (i) settle the Company’s obligations under and terminate the binding term sheet entered into between Legacy Banzai and GEM, dated December 13, 2023, and (ii) terminate the share repurchase agreement, dated May 27, 2022, by and among the Company and GEM, and (b) the Company (i) agreed to pay GEM \$1.2 million in cash within three business days of the GEM Settlement Agreement and (ii) issued to GEM, on February 5, 2024, an unsecured promissory zero coupon note in the amount of \$1.0 million, payable in monthly installments of \$100,000 beginning on March 1, 2024, with the final payment to be made on December 1, 2024 (the “GEM Promissory Note”). The Company paid GEM the \$1.2 million in cash in February 2024.

The GEM Promissory Note provides that, in the event the Company fails to make a required monthly payment when due, the Company shall issue to GEM a number of shares of Class A Common Stock equal to the monthly payment amount divided by the VWAP of Class A Common Stock for the trading day immediately preceding the applicable payment due date. In addition, the Company agreed to register on a registration statement 40,000 shares of Class A Common Stock that may be issuable under the terms of the GEM Promissory Note. The GEM Promissory Note contains customary events of default. If an event of default occurs, GEM may, at its option, demand from the Company immediate payment of any outstanding balance under the GEM Promissory Note.



As of June 30, 2024, the Company has issued an aggregate of 20,902 shares of Class A Common Stock to GEM in lieu of monthly payment obligations and the remaining balance of the GEM Promissory Note as of June 30, 2024 is \$600,000.

### ***Interest on Debt***

Interest on debt totals \$3.0 million for the six months ended June 30, 2024, representing the aggregate interest expenses / payments obligation to be paid and to be recognized during the rest of the terms of the Loan Agreements and Senior Convertible Notes, described above.

### ***Operating Leases***

Banzai has an operating lease for its real estate for office use. The lease term expires in October 2024. Banzai adopted ASC 842 Leases by applying the guidance at adoption date, January 1, 2022. The \$81,708 balance recognized as of June 30, 2024 represents the future minimum lease payments under non-cancellable leases as liabilities.

### **Debt Structure and Maturity Profile**

<i>(\$ in Thousands)</i>	<i>Principal</i>	<i>Debt Discount / Issuance Cost</i>	<i>Carrying Value</i>	<i>Accrued Interest</i>	<i>Carrying Value and Accrued Interest</i>
As of June 30, 2024					
Debt principal - 14% CP BF term notes	\$ 6,500	\$ (76)	\$ 6,424	\$ 665	\$ 7,089
Debt principal - 8% Alco promissory notes	4,400	(1,157)	3,243	225	3,468
Debt principal - Yorkville Convertible promissory note	1,950	13	2,013	-	2,013
Debt principal - 14% CP BF convertible notes	1,821	(27)	1,794	1,136	2,930
Debt principal - GEM promissory note	600	-	600	-	600
Total debt carrying values at June 30, 2024	\$ 15,271	\$ (1,247)	\$ 14,024	\$ 2,026	\$ 16,100

### **Contractual Obligations and Commitments**

#### ***Revenue***

Under ASC 606, revenue is recognized throughout the life of the executed agreement. Banzai measures revenue based on considerations specified in terms and conditions agreed to by a customer. Furthermore, Banzai recognizes revenue in an amount that reflects the consideration we expect to be entitled to in exchange for those services. The performance obligation is satisfied by transferring control of the service to the customer, which occurs over time.

#### ***Leases***

Banzai's existing leases contain escalation clauses and renewal options. Banzai is not reasonably certain that renewal options will be exercised upon expiration of the initial terms of its existing leases. Prior to adoption of ASU 2016-02 effective January 1, 2022, Banzai accounted for operating lease transactions by recording lease expense on a straight-line basis over the expected term of the lease.

Banzai entered into a sublease which it had identified as an operating lease prior to the adoption of ASC 842 Leases. Banzai remains the primary obligor to the head lease lessor, making rental payments directly to the lessor and separately billing the sublessee. The sublease is subordinated to the master lease, and the sublessee must comply with all applicable terms of the master lease. Banzai subleased the real estate to a third-party at a monthly rental payment amount that was less than the monthly cost that it pays on the headlease with the lessor.

#### ***Deferred underwriting fees***

On December 28, 2023, the Company and Cantor amended the Fee Reduction Agreement to provide that the Reduced Deferred Fee was payable in the form of 22,279 shares of Class A Common Stock and to provide that Cantor is subject to a 12-month lock-up with respect to the Cantor Fee Shares. On December 28, 2023, the Company issued the Cantor Fee Shares to Cantor, covering the Reduced Deferred Fee in accordance with the Fee Reduction Agreement. The fair value of the 22,279 shares of Class A Common Stock was determined to be \$2,450,639 on December 28, 2023 based on the Company's opening stock price of \$110.00. Although the Company issued the Cantor Fee Shares, as of June 30, 2024, the Company has not satisfied its Cantor Registration Rights Obligations. As such, the Company cannot conclude that it has settled its outstanding obligations to Cantor. Therefore, neither criteria under ASC 405 for extinguishment and derecognition of the liability were satisfied and the \$4,000,000 Reduced Deferred Fee remained outstanding as a current liability on the Company's June 30, 2024 balance sheet.

#### ***GEM commitment fee liability***

In May 2022, Legacy Banzai entered into the GEM Agreement with GEM pursuant to which, among other things, upon the terms and subject to the conditions of the GEM Agreement, GEM was to purchase Legacy Banzai (or its successor per the GEM Agreement) up to the number of duly authorized, validly issued, fully paid and non-assessable shares of common stock having an aggregate value of \$100,000,000 (the "GEM Financing"). Further, in terms of the GEM Agreement, on the date of public listing of Legacy Banzai, Legacy Banzai was required to make and execute a warrant granting GEM the right to purchase up to the number of common shares of Legacy Banzai that would be equal to 3% of the total equity interests, calculated on a fully diluted basis, and at an exercise price per share equal to the lesser of (i) the public offering price or closing bid price on the date of public listing or (ii) the quotient obtained by dividing \$650 million by the total number of equity interests.

On December 13, 2023, Legacy Banzai and GEM entered into the GEM Term Sheet and, on December 14, 2023, the GEM Letter, agreeing to terminate in its entirety the GEM Agreement by and between Legacy Banzai and GEM, other than with respect to the Company's obligation (as the post-combination company in the Business Combination) to issue the GEM Warrant granting the right to purchase Class A Common Stock in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a \$2.0 million convertible debenture with a five-year maturity and 0% coupon. Due to the determination of the final terms of the planned \$2.0 million convertible debenture having not been finalized, nor the final agreement related to the convertible debenture having been executed, as of June 30, 2024, the Company recognized, concurrent with the close of the merger, a liability for the GEM commitment fee, along with a corresponding GEM commitment fee expense, in the amount of \$2.0 million.

On February 5, 2024, the Company and GEM entered into the GEM Settlement Agreement, pursuant to which (a) the Company and GEM agreed to (i) settle the Company's obligations under and terminate the GEM Term Sheet, and (ii) terminate the GEM Agreement, and (b) the Company (i) agreed to pay GEM \$1.2 million in cash within three business days of the GEM Settlement Agreement and (ii) issued to GEM the GEM an unsecured promissory Note on February 5, 2024 in the amount of \$1.0 million, payable in monthly installments of \$100,000 beginning on March 1, 2024, with the final payment to be made on December 1, 2024 (the "GEM Promissory Note").

The GEM Promissory Note provides that, in the event the Company fails to make a required monthly payment when due, the Company shall issue to GEM a number of shares of Class A Common Stock equal to the monthly payment amount divided by the VWAP of Class A Common Stock for the trading day immediately preceding the applicable payment due date. In addition, the Company agreed to register on a registration statement 40,000 shares of Class A Common Stock that may be issuable under the terms of the GEM Promissory Note. The GEM Promissory Note contains customary events of default. If an event of default occurs, GEM may, at its option, demand from the Company immediate payment of any outstanding balance under the GEM Promissory Note. As of the date of this prospectus, we have issued an aggregate of 40,000 shares of Class A Common Stock to GEM in lieu of monthly payment obligations through October 14, 2024.

## **Off-Balance Sheet Arrangements**

Banzai had no off-balance sheet arrangements as of December 31, 2023 or June 30, 2024.

## **Quantitative and Qualitative Disclosures About Market Risk**

This item is not applicable as we are a smaller reporting company.

## **Internal Control Over Financial Reporting**

### ***Previously Identified Material Weaknesses***

As of June 30, 2024, the Company concluded that it had material weaknesses in its IT General Controls, adherence to the Committee of Sponsoring Organizations (“COSO”) of the Treadway Commission in Internal Control-Integrated Framework (2013), and period end financial close and reporting process as described below.

The material weaknesses in our internal control over financial reporting for the year ended December 31, 2023, and the quarter ended June 30, 2024, were as follows:

- (1) *IT General Controls*-We did not maintain an effective IT control environment because we did not maintain a formal cybersecurity governance program, sufficient provisioning, deprovisioning, user access reviews, and reviews of service organizations.
- (2) *COSO Entity Level Controls*-We did not maintain effective controls over the identification and monitoring of related party relationships and transactions and have not yet implemented a formal delegation of authority process.
- (3) *Period end financial close and reporting*-Our assessment of internal controls has identified a material weakness whereby the CFO has unrestricted administrative access to the General Ledger (GL) system. Given the concentration of responsibility includes approval of key transactions, bank account reconciliations, and journal entries, administrative access to the G/L system should be restricted to personnel outside of Accounting and Finance function.

### ***Remediation of Material Weaknesses***

We are committed to the remediation of the material weaknesses described above, as well as the continued improvement of our internal control over financial reporting. We are in the process of taking steps to remediate the identified material weaknesses and continue to evaluate our internal controls over financial reporting, including the following:

#### *IT General Controls:*

- We have implemented enhanced segregation of duties and workflow approvals to prevent unauthorized changes in our systems.

- We have begun utilizing the services of external consultants to review our internal controls environment and make recommendations to remediate the material weaknesses in our financial reporting.
- We have begun utilizing the services of external consultants to complete a formal cybersecurity assessment and subsequently identified remediation plans to address any gaps and weaknesses.
- We utilized the services of external consultants to assist in the development of an incident response plan to mitigate the IT control risk, which we expect to formalize by the end of 2024.

*COSO Entity Level Controls:*

- We utilized the services of external consultants to assist in the identification and documentation of entity level controls as of June 30, 2024. Additionally, in Q1 2024 we completed a formal COSO mapping document and remediation plans have been drafted where gaps were identified.
- We implemented an Audit Committee, Compensation Committee, Nominating and Governance Committee and Board of Directors immediately post-merger.

*Period End Financial Close and Reporting:*

- We have begun utilizing the services of external consultants to assess our overall security role design and privileged user access for each of our in-scope applications, including our general ledger system. We expect to implement certain user access changes by the end of 2024 and further system-wide changes thereafter.

As we continue our evaluation and improve our internal control over financial reporting, management may identify and take additional measures to address control deficiencies. We cannot assure you that we will be successful in remediating the material weaknesses in a timely manner. See the section titled “*Risk Factors-We have identified material weaknesses in our internal control over financial reporting in the past. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and stock price.*”

## BUSINESS

Banzai International, Inc. (f/k/a 7GC & Co. Holdings Inc.) is a MarTech company that produces data-driven marketing and sales solutions for businesses of all sizes. We were originally incorporated in Delaware in September 2020 as a blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities. Upon closing the Business Combination on December 14, 2023 pursuant to the Original Merger Agreement (as amended by the Merger Agreement Amendment, we acquired Legacy Banzai. Legacy Banzai operates under the name “Banzai Operating Co Inc.” (the “Operating Company”) and is one of our two wholly owned subsidiaries. Legacy Banzai was incorporated in Delaware in September 2015. Our business operations are currently conducted by the Operating Company.

As a MarTech company, our mission is to help our customers accomplish their mission-to enable better marketing, sales, and customer engagement outcomes by increasing the value of every customer interaction. We plan to do this by delivering SaaS MarTech tools that leverage data, analytics, and artificial intelligence (“AI”) to improve all types of customer interactions and provide powerful benefits to our customers across three key areas of focus: targeting, engagement, and measurement. As part of our acquisition strategy, we also endeavor to acquire companies strategically positioned to enhance our product and service offerings, increasing the value provided to current and prospective customers.

Our platform currently includes three products. The first product we launched was Reach, a SaaS and managed services offering designed to increase registration and attendance of marketing events, followed by the acquisition of Demio, a SaaS solution for webinars designed for marketing, sales, and customer success teams in 2021. In 2023, we launched Boost, a SaaS solution for social sharing designed to increase attendance for Demio-hosted events by enabling easy social sharing by event registrants.

We sell our products using a recurring subscription license model typical in SaaS businesses, with customer contracts that vary in term length from single months to multiple years. As of December 31, 2023, our customer base included over 2,770 customers operating in over 90 countries, representing a variety of industries, including (among others) healthcare, financial services, e-commerce, technology, media and others. Our customers range in size from solo entrepreneurs and small businesses to Fortune 500 companies. No single customer represents more than 1% of our revenue.

### Industry Background and Trends

The MarTech industry has experienced significant growth and transformation in recent years. As companies increasingly rely on digital channels to reach customers, the demand for MarTech solutions has grown. MarTech refers to the software and tools that enable marketers to plan, execute, and measure their campaigns across various channels.

The MarTech landscape is vast and complex, with thousands of vendors offering a wide range of solutions. There are 11,038 MarTech companies included in the 2023 Marketing Technology Landscape report published by ChiefMartec, a leading marketing technology research group. MarTech solutions can be grouped into several broad categories, including advertising and promotion, content and experience, social and relationships, commerce and sales, data management and analytics, and marketing automation.

One of the key drivers of growth in the MarTech industry is the increasing importance of data-driven marketing. As companies collect more data on their customers’ behaviors and preferences, they need more sophisticated tools to analyze this data and use it to inform and optimize their marketing strategies. This has led to a proliferation of customer data platforms, customer relationship management (“CRM”) systems, analytics tools, and other solutions that help marketers make sense of their data and utilize it more effectively.

Another trend driving growth in the MarTech industry is the rise of AI and machine learning. These technologies can be used to automate many aspects of marketing campaigns, from ad targeting to content creation. Overall, the MarTech industry is expected to continue growing rapidly in the coming years as companies invest more heavily in digital marketing channels. However, with so many vendors offering similar solutions, competition is fierce, making it essential for MarTech companies to differentiate themselves through innovation and exceptional customer service.

There are several key trends in MarTech that are shaping the industry and driving innovation:

- 1. Personalization:** Consumers today expect personalized experiences from the brands they interact with, and MarTech solutions are helping companies deliver on this expectation. By leveraging data and AI, marketers can create highly targeted campaigns that speak directly to individual customers' needs and preferences.
- 2. Automation:** As marketing campaigns become more complex, automation is becoming increasingly important. By leveraging data and AI, MarTech solutions can automate many aspects of marketing, from ad targeting to content creation, freeing up marketers' time to focus on strategy and creativity.
- 3. Integration:** With so many different MarTech solutions available, integration has become a major challenge for marketers. To address this issue, many vendors are working to create more open platforms that can easily integrate with other tools and systems. The growing trend of open platforms allows us to gather larger amounts of data as an input from an increasing variety of marketing tools and platforms to then leverage in AI systems.
- 4. Data Privacy:** With the increasing importance of data-driven marketing comes a greater need for data privacy and security. MarTech vendors are working to ensure that their solutions comply with regulations like the EU General Data Protection Regulation ("GDPR") and the California Consumer Privacy Act of 2018 ("CCPA"), while also providing customers with greater control over their data.
- 5. Results Driven Environment:** In today's economic environment, marketers are faced with internal pressure to prove the value of every dollar spent while also maintaining results across every channel. Marketers require a complete view of performance and ROI of all marketing campaigns and investments to enable better decision making and streamline their operations.

The MarTech industry is constantly evolving, and these trends are just a few of the many factors shaping its future. As technology continues to advance, the success of any MarTech company will depend on its ability to adapt to these trends and deliver real value to marketers and their customers alike.

## Market Size

We compete within the business-to-business ("B2B") MarTech value chain, which encompasses tasks ranging from acquiring and nurturing leads, to executing and optimizing campaigns and managing and measuring content, data, and performance.

In 2023, we engaged Verista Partners Inc., also known as Winterberry Group ("Winterberry"), to conduct an analysis of our opportunity within the MarTech space. Winterberry provided a Strategic Due Diligence Assessment Report (the "Winterberry Report") on April 14, 2023, which estimated the size of our total addressable market (our "TAM"), which is defined to include B2B spending in the United States on demand generation, marketing automation, digital events platforms, account-based marketing, customer relationship management, engagement, content management systems, customer data platforms, measurement and attribution, and predictive and prescriptive analytics. The Winterberry Report forecasted our TAM to reach an estimated \$39.42 billion by 2026, which would represent a projected compound annual growth rate ("CAGR") of 11.80% during the 2020 to 2026 period. The Winterberry Report also estimated our Serviceable Addressable Market (our "SAM"), which is defined to include B2B spending in the United States on measurement and attribution, demand generation, and digital events platforms. The Winterberry Report forecasted our SAM to reach an estimated \$8.37 billion by 2026. This would represent a projected CAGR of 16.07% during the 2020 to 2026 period.

To calculate our estimated SAM and TAM, Winterberry started with the B2B MarTech stack from acquiring and nurturing leads to executing and optimizing campaigns to managing and measuring content, data and performance. Within that value chain, Winterberry identified which components were core to the Banzai business as of the date of the Winterberry Report (i.e., measurement and attribution, demand generation, and digital events platforms) and which would be natural adjacencies and future offerings (i.e., demand generation, marketing automation, digital events platforms, account-based marketing, customer relationship management, engagement, content management systems, customer data platforms, measurement and attribution, and predictive and prescriptive analytics). The identified core components make up our SAM, and both core components and adjacent and future offerings are included in our TAM. Winterberry then sized each component individually utilizing a range of sources estimating market spending and forecasted growth rates, including Winterberry proprietary models, as well as various other market research company products and forecasts. Depending on the estimate and whether it was global or included in B2B use cases, Winterberry utilized assumptions that 25% of spend is B2B and 33% of global spend is U.S.-specific.

The models provided by Winterberry were based on economic forecasts from government and private sector analysts as well as third-party media forecasts primarily provided by marketing agencies, governing bodies and associations, trade publications, and research analysts, all of which are subject to change. There are uncertainties inherent in attempting to make such projections and forecasts, and we encourage our stockholders and investors to perform their own investigation and carefully consider such uncertainties.

## Products and Services

Our platform offers three SaaS products: Demio, Boost, and Reach.

### *Demio*

Demio is a user-friendly, browser-based webinar platform with extensive data and marketing features designed to help businesses effectively engage with their audience through live events and on-demand, interactive video content. Demio enables customers to create, host, and manage webinars with ease, providing a suite of tools and features that enhance audience interaction, generate leads, and drive sales. Demio provides the following features and benefits to customers:

- 1. Easy Webinar Creation and Setup:** Demio allows users to quickly create and schedule webinars with a simple, intuitive interface. Users can customize their webinar registration pages, add branding elements, and set up email reminders for attendees.
- 2. Live Webinars:** Customers can host live webinars, where they can interact with their audience in real-time using features like polls, question & answer sessions, featured actions, and pre-loaded content.
- 3. Automated Webinars:** Automated webinars run on a pre-set schedule and can run with or without participation from the host. This flexibility enables businesses to reach their audience at the most convenient times and increase engagement.
- 4. Audience Interaction:** Demio offers a range of engagement tools, such as polls, question & answer sessions, and real-time chat, which allow presenters to interact with their audience during the webinar and helps create a more interactive experience, leading to higher attendee engagement.
- 5. Screen Sharing and Presentations:** Presenters can share their screen, display slides, or play videos during the webinar, providing a seamless multimedia experience for the audience. This helps to create a more professional and polished presentation.
- 6. Integration with Marketing Tools:** Demio integrates with various marketing tools and platforms, such as CRM systems, email marketing services, and marketing automation software, allowing users to streamline their lead generation and follow-up processes.

- 7. Analytics and Reporting:** Demio provides detailed analytics and reporting features, giving users insights into attendee engagement, registration conversion, and overall webinar performance. This data can help businesses optimize their webinar strategies and improve their results.
- 8. Lead Generation and Sales:** With customizable registration forms, Demio enables customers to capture lead information during the registration process. Additionally, Demio's built-in call-to-action ("CTA") feature allows presenters to promote products or services during the webinar, driving sales and audience conversions.

In summary, Demio enables customers to create and host engaging, interactive webinars with ease, helping businesses generate leads, drive sales, and foster strong relationships with their audience.

### ***Boost***

Boost is a tool utilized by customers to enhance participation in their Demio webinars. This tool allows registered attendees to promote Demio webinars on social media platforms. Moreover, Boost offers incentives to current registrants to encourage additional signups. In this manner, registrants become promoters, with the ability to tailor promotional content for platforms such as Facebook, LinkedIn, Twitter, and email. Boost's native integration with Demio ensures a smooth user experience. Boost offers customers a series of features and benefits, as outlined below:

- 1. Email Notifications:** Boost integrates with Demio to send automated notifications to all event registrants directing them to a share page.
- 2. Social Sharing:** Boost provides a share page that makes it easy for registrants to share Demio registration links on LinkedIn, Twitter, Facebook, and via email.
- 3. Link Tracking:** Boost's seamless link tracking enables customers to identify which registrants have driven additional registrations through their links.
- 4. Rewards:** Boost enables offering rewards for registrants who drive additional registrations and tracking reward attainment through tracking links.

In summary, Boost enables customers to create social sharing campaigns for their events more easily, leading to increased registrations.

### ***Reach***

Customers use Reach to directly connect with their event's target audience to increase registrations for their events. Reach's Audience AI feature generates target lists of potential event attendees, and the email marketing feature sends personalized email invitations to those target lists. Reach provides features such as:

- 1. Audience AI:** Reach enables targeting of a potential audience based on customer-defined criteria such as region, job title, company size, and revenue.
- 2. Automatic Event Invitations:** Event invitations are automatically generated and sent to targeted customers.
- 3. Event Confirmation and Reminders:** Confirmations and reminders are automatically generated and sent to registrants to improve attendance rate.
- 4. Opt-ins and Privacy Compliance:** Reach enables customers to define customized privacy policy and opt-in language to help customers maintain compliance with privacy regulations such as GDPR.
- 5. Target Lists:** Account and contact lists can be specified for inclusion or exclusion, allowing customers to enact account-based marketing ("ABM") campaigns or exclude sensitive accounts or contacts.



- List Scrubbing:** Target lists are pre-validated to remove invalid email addresses and other invalid contacts, improving email deliverability rates.

Reach can be used to drive event attendance and reach leads that customers might be otherwise unable to engage.

## Product Roadmap and Enhancements

Improving our family of products is how we create more value for our customers and our product roadmap is an essential part of delivering on our vision of improving the value of customer interactions for companies throughout the world. The role of product management at Banzai is to identify and prioritize underserved and unmet customer and market needs and to use our ability to create products and features based on data and AI to increase customer value.

- Strategic Vision and Alignment:** We align our cross-functional objectives around a set of strategies that we update as the needs of our business change. We use these strategies to create alignment for our engineering, sales, and marketing teams. This helps us to work cohesively towards shared goals, maximizing the efficiency and effectiveness of our efforts.
- Customer-Centric Approach:** By prioritizing innovation, we demonstrate a commitment to addressing the evolving needs and expectations of our customers. This customer-centric approach helps us maintain a competitive edge, as we continuously adapt our products and services to stay relevant and valuable to our existing and future customers.
- Long-Term Growth:** By identifying opportunities for new features, enhancements, and market segments, we can strategically plan and execute our growth initiatives, supporting our long-term sustainability and success.
- Customer Expansion:** We believe our strategies support increasing the average amount of revenue we earn per customer per year (our average customer value or “ACV”) through development of features that are correlated with usage by higher value customers. We also develop add-on features and products that can be sold to our existing customers.
- Resource Allocation:** Our strategic planning process allows us to better allocate resources between projects, allowing us to advance multiple initiatives at once. This capability is essential for a multi-product company to maintain product leadership on multiple fronts.
- Stakeholder Communication:** A product roadmap serves as a powerful communication tool, enabling us to set clear expectations with our customers. We use tools such as Product Board to accept customer feedback and share upcoming product changes.

There are several product areas that we are focused on for the foreseeable future. These may change from time to time as we learn from our customers and make changes to our strategy.

- Mobile Capabilities:** By expanding our mobile web experience or developing future mobile apps, we believe we can increase customer value across multiple products, including Demio.
- Integrations:** Integrations are a core feature of Demio. Over time, we will want to develop integrations with new systems, as well as improve our existing integrations.
- AI:** We are exploring a number of additional AI-powered features such as text-to-voice, translation, transcription, and content generation.
- Analytics & Insights:** We are embedding analytics and insights features into multiple products, including Demio. These features seek to enable our customers to see new perspectives on their data, further improve their results, and dramatically reduce their manual analysis effort.

- 5. Ad Generation:** We believe there may be opportunities in automating ad-creative generation (e.g., text, images, and videos) to help our customers improve their ad performance through automated testing.
- 6. Content and Experience Hosting:** We are expanding the content and experiences that can be hosted and deployed using Banzai products. For example, we plan to improve our automated events capability in Demio.

### Research and Development Expenses

As a product-led company, we attain and maintain our competitive advantage through our investment in our products. Maintenance of existing products and development of new products are both essential to our long-term success. Therefore, our management team feels that significant investment in technology is required in the future. We plan to utilize a combination of in-house employees and development partners to maintain and improve our technology.

### Our Growth Strategies

Our growth strategy is to expand our platform to make it more valuable to customers and find new ways to enhance a wider range of MarTech interactions. The key elements of our growth strategy are:

- 1. Cost Efficient Customer Acquisition:** Continue to acquire new customers cost effectively through organic traffic, content, affiliates, social media, partnerships, advertising, word-of-mouth, and other sources.
- 2. Customer Retention and Expansion:** Continue to expand our customer success and customer marketing organizations to increase customer retention and customer expansion.
- 3. Implement Product Improvements:** Continue to develop our family of products to create defensibly differentiated solutions that are essential to customers.
- 4. Introduce New Products:** Roll out new products that attract new customers and expand the ways we can serve existing customers.
- 5. Acquisition Strategy:** Banzai signed and announced non-binding letters of intent (“LOI”) to acquire 4 target companies in Q1 2024. The company is still engaged in the potential acquisition of Boast and Cliently, for which the company previously announced non-binding LOIs. These companies, which operate in the MarTech space, provide data analytics, innovative solutions in social media and B2B scraping across multiple platforms. Completion of these acquisitions would enhance the company’s product offerings that would lead to the next stage of growth for Banzai.

### Sales and Marketing

Our primary focus is on increasing mid-market and enterprise customers for Demio. Progress towards this is reflected in our increase in multi-host Demio customers from 12 on January 1, 2021 to 116 on December 31, 2023, an approximately 10-fold increase.

As a product-led growth company, we utilize a hybrid self-service and direct sales go-to-market approach. Our self-service customers subscribe or purchase directly from our product websites or start free product trials which can lead to a later paid subscription or purchase. Our direct sales customers subscribe or purchase through sales representatives, who are compensated with a base salary and typically participate in incentive plans such as commissions or bonuses.

Trials, customers, and leads come from organic website visitors, affiliates and partners, and visitors from paid ads such as Google ads. We also utilize partner marketing, account-based marketing, lead generation and demand generation programs, webinars, and other direct and indirect marketing activities to reach our target audience and acquire leads and customers.

We sell our products using a recurring subscription license model typical in SaaS businesses. Pricing tiers for our main product, Demio, are based on the number of host-capable users, desired feature sets, and maximum audience size. Boost pricing tiers are based on the Demio plan to which the customer subscribes. Reach pricing is based on the number of event campaigns a customer has access to run simultaneously or the maximum number of registrations a customer is allowed to generate per subscription period. Our customer contracts vary in term length from single months to multiple years. It is common for our customers to purchase services to supplement their subscriptions to include additional licenses or products. For example, as of December 31, 2023, less than 8 months after the launch of the Boost product, approximately 1.0% of Demio customers had also purchased the Boost add-on product.

### Competition, Strengths, and Differentiation

We compete across five distinct categories within the B2B MarTech landscape: digital events and webinars, demand generation, creative development, engagement platforms and marketing automation, and measurement and attribution.

We believe our strengths are:

1. **Brand:** Our recognizable brand, and the brands of our products, especially Demio, can be leveraged to acquire customers at lower costs than reliance on paid advertising alone.
2. **Existing Customer Base:** Our existing customers can be cross-sold additional products we may offer in the future. We can also cross sell our current products to existing customers.
3. **Customer Success:** We have developed an operational competency in customer success, enabling us to more effectively leverage our customer base to drive expansion sales.

We seek to differentiate ourselves from the crowded MarTech market in the following ways:

1. **Data:** Our products incorporate data either as a primary value proposition or an enabling feature, or by utilizing data through integrations to simplify and streamline otherwise complex business processes.
2. **AI / Machine Learning:** Many of our products incorporate AI and machine learning to deliver new capabilities or improved performance for our customers.
3. **Marketing Industry Focus:** Our focus exclusively on the marketing industry differentiates us from broad-market competitors such as Zoom and GoToWebinar in the digital event, analytics, and webinar product categories.
4. **Organic Customer Acquisition:** The majority of our product trials and new leads come from organic customer acquisition due to our content, social media, affiliates, word-of-mouth, and brand awareness.
5. **Multi-Product Strategy:** Multiple products provide opportunities to grow our customer base through expansion that single-product companies typically do not have.

### Intellectual Property

To establish and protect our proprietary rights, we rely on a combination of trademarks and trade secrets, including know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights. As of December 31, 2023, we held two registered trademark in the United States: “Banzai”, “Demio”. For more information regarding risks related to our intellectual property, please see *“Risk Factors-Risks Related to Business and Industry-Failure to protect or enforce our intellectual property rights could harm our business and results of operations”* and *“Risk Factors-Risks Related to Business and Industry-Third parties may initiate legal proceedings alleging that we are infringing or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could harm our business.”*

## Government Regulation

We are subject to federal, state, and foreign legal requirements on matters customary to the SaaS and MarTech industries such as data privacy and protection, employment and labor relations, immigration, taxation, anti-corruption, import/export controls, trade restrictions, internal and disclosure control obligations, securities regulation, and anti-competition considerations.

Regarding privacy and communications, we are subject to the following regulatory standards and laws: the GDPR, CCPA, Telephone Consumer Protection Act (TCPA), Canada's Anti-Spam Legislation (CASL), the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM), and others that may apply in the various regions in which we operate.

Violations of one or more of these diverse legal requirements in the conduct of our business could result in significant fines and other damages, criminal sanctions against us or our officers, prohibitions on doing business and damage to our reputation. Violations of these regulations or contractual obligations related to regulatory compliance in connection with the performance of customer contracts could also result in liability for significant monetary damages, fines and/or criminal prosecution, unfavorable publicity and other damage to our reputation, restrictions on our ability to compete for certain work and allegations by our customers that we have not performed our contractual obligations. To date, we have not experienced material fines or penalties related to these regulations.

## Properties

Our principal executive office is located at 435 Ericksen Ave NE, Suite 250, Bainbridge Island, WA 98110 and, as of December 31, 2023, consists of approximately 1,800 square feet of space under a lease that expires in September 2024. We believe this facility is adequate and suitable for our current and anticipated future needs.

## Legal Proceedings

From time to time, we may be party to litigation and subject to claims incident to the ordinary course of our business. As our growth continues, we may become party to an increasing number of litigation matters and claims. The outcome of litigation and claims cannot be predicted with certainty, and the resolution of these matters could materially affect our future results of operations, cash flows, or financial position. We are not presently party to any legal proceedings that, in the opinion of management, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows.

## Employees and Management

As of December 31, 2023, we had 13 full-time employees, 0 part-time employees, and 54 contractors.

Our culture is unique and an important contributor to our success. Our culture allows us to scale our business by attracting and retaining great people who are aligned to our values. Having shared values enables our team members to make independent decisions, encourages accountability, and fosters collaboration. Our culture is defined by four core values:

- 1. Learning.** Technology and marketing are constantly changing. We value learning because adaptation is essential to delivering the best solutions for our customers. Our team members are open-minded, critical-thinkers who are willing to disagree, try new things, and change their minds when warranted.
- 2. Serving Others.** Nothing happens without our customers. We value Serving Others because serving customers is the reason we exist. Our team members prioritize the needs of our customers, our team, and our communities.
- 3. Game Changing.** To succeed in a competitive marketplace, we have to deliver impactful solutions for our customers. Our team members find creative solutions, raise the bar, take risks, and help our customers realize more successful outcomes.
- 4. "10,000 Years."** To achieve long-term success, we must plan and act with the end goal in mind. We value the symbolism of the term "10,000 Years" (the literal translation of the Japanese word "Banzai"), because it reminds us that we're building for the future-to something greater than what we see today-and that each day we're contributing toward that vision.

## Corporate Information

7GC, our predecessor company, was incorporated in the State of Delaware in September 2020 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination involving 7GC and one or more businesses. 7GC completed its IPO in December 2020. In December 2023, First Merger Sub merged with and into Legacy Banzai, and Legacy Banzai as the Surviving Corporation merged with and into Second Merger Sub, with Second Merger Sub being the surviving entity, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC. In connection with the Mergers, 7GC changed its name to Banzai International, Inc. Our offices are located at 435 Ericksen Ave NE, Suite 250, Bainbridge Island, WA 98110. Our website is [www.banzai.io](http://www.banzai.io).

We have two wholly owned operating subsidiaries: Banzai Operating Co LLC (f/k/a Banzai International, Inc.) and Demio Holding, Inc.

## MANAGEMENT

The following is a list of the persons who currently serve, as of the date of this prospectus, as directors and executive officers of Banzai.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Joseph P. Davy	34	Chief Executive Officer, Chairman and Director
Alvin Yip	59	Interim Chief Financial Officer
Simon Baumer	38	Chief Technology Officer
Rachel Stanley	41	Vice President of Customer Experience
Jack Leeney (3)	38	Director
Mason Ward (1)(2)(3)	42	Director
Paula Boggs (1)(2)(3)	64	Director
Kent Schofield	44	Director

- (1) Member of the audit committee.
- (2) Member of the compensation committee.
- (3) Member of the nominating and corporate governance committee.

### ***Executive Officers***

***Joseph P. Davy*** serves as our Chief Executive Officer and a member of our Board and prior to the Business Combination, served as Chief Executive Officer and as a member the Board of Legacy Banzai since co-founding Legacy Banzai in 2015. Prior to co-founding Legacy Banzai, Mr. Davy served as the General Manager at Avalara from 2013 to 2016. From 2012 to 2013, he served as Chief Executive Officer of Buystand. From 2012 to 2013, he also served as Customer Advisory Board Member at Microsoft Corp. Mr. Davy founded EvoApp in 2009 and served as its Chief Executive Officer and Chief Product Officer from 2009 to 2012. Prior to his service at EvoApp, Mr. Davy was a software engineer at International Business Machines Corp (IBM). Mr. Davy also served as a member of the board of directors of Legalpad Inc. from 2019 to 2022. Prior to joining IBM, Mr. Davy attended the University of North Carolina at Chapel Hill from 2007 to 2010. We believe Mr. Davy is qualified to serve on the Board due to his extensive venture capital experience and experience as founder and chief executive officer of Legacy Banzai.

***Alvin Yip*** serves as our Interim Chief Financial Officer and prior to this, served as Legacy Banzai's Corporate Controller since 2022. Prior to that, Mr. Yip worked at Pax Lab Inc as Director of Accounting from 2021 to 2022, as a Chief Financial consultant at RGP from 2018 to 2021, as a Corporate Controller at [24/].ai from 2010 to 2018.

***Simon Baumer*** serves as our Chief Technology Officer and prior to this, served as Legacy Banzai's Chief Technology Officer since 2021. Prior to that, Mr. Baumer worked at Verivox GmbH as Vice President of Engineering from 2018 to 2021, as Head of Software Development from 2016 to 2021, and as Teamlead for Software Development from 2015 to 2021.

**Rachel Stanley** serves as our Vice President of Customer Experience and prior to this, served as Legacy Banzai's Vice President of Revenue since 2022 and previously served as Legacy Banzai's Vice President of Customer Experience from 2021 to 2022, as Senior Director of Customer Adoption and Support in 2021, as Director of Customer Adoption from 2020 to 2021, and as Enterprise Customer Success Manager from 2019 to 2020. In 2018, she served as Marketing Manager at Amazon. Prior to that, she worked at ACS Technologies as Team Leader from 2014 to 2018, as Implementation Consultant from 2012 to 2014, and as Launch and Onboarding Coordinator in 2012. Ms. Stanley worked at CRISTA Ministries as Administrative Assistant in the President's Office from 2011 to 2012. Ms. Stanley holds a degree from Palm Beach Atlantic University.

#### **Non-Employee Directors**

**Jack Leeney** has served as a member of the Board since December 2023, and prior to this, served as 7GC's Chairman and Chief Executive Officer since its inception. Since September 2016, Mr. Leeney has served as a Founding Partner of 7GC & Co Sarl and is responsible for running the firm's operations. Mr. Leeney led the firm's investments in Cheddar TV, Capsule Pharmacy, hims & hers, Jyve, Roofstock, The Mom Project, and Reliance Jio. Since 2020, he has served as a director for The Mom Project. From December 2020 to November 2022, he served as a director of PTIC, a SPAC that closed an initial business combination with RW National Holdings, LLC (d/b/a Appreciate), the parent holding company of Renters Warehouse, in November 2022. Between April 2011 and December 2016, Mr. Leeney served on the boards of directors of Quantenna Communications, Inc. (Nasdaq: QTNA), DoAt Media Ltd. (Private), CinePapaya (acquired by Comcast), Joyent (acquired by Samsung), BOKU, Inc. (AIM: BOKU), Eventful (acquired by CBS) and Blueliv (Private). Previously, Mr. Leeney served as the Head of U.S. Investing for Telefonica Ventures, the investment arm of Telefonica (NYSE: TEF), between June 2012 and September 2016 and as an investor at Hercules Capital (NYSE: HTGC) between May 2011 and June 2012. He began his career as a technology-focused investment banker at Morgan Stanley in 2007, where he worked on the initial public offerings for Tesla Motors, LinkedIn, and Pandora. Mr. Leeney holds a B.S. from Syracuse University. We believe Mr. Leeney is qualified to serve on the Board due to his extensive venture capital experience.

**Mason Ward** has served as a member of the Board since December 2023, and prior to this, has served as the Chief Financial Officer of Alco Investment Company since 2018, and served as its Controller and Finance Director from 2015 to 2018. Prior to joining Alco, Mr. Ward served as an Infantry Officer in multiple operations, logistics, risk management and fiscal operations roles during two deployments to Afghanistan with the United States Army. Mr. Ward holds a B.S. in Civil Engineering from the University of Cincinnati and a Certificate in Accounting and a Masters in Business Administration from the University of Washington, and he is also a certified public accountant (inactive). We believe Mr. Ward is qualified to serve on the Board due to his extensive finance and accounting expertise and experience.

**Paula Boggs** has served as a member of the Board since December 2023, and prior to this, is the founder and owner of Boggs Media, LLC, which manages Ms. Boggs' musical, public speaking, and other creative business endeavors. A former executive at the Starbucks Coffee Company, she led the global law department of Starbucks from 2002 to 2012 and was Corporate Secretary of the Starbucks Foundation. Prior to that, Ms. Boggs was a Vice President of Legal for products, operations and information technology at Dell Computer Corporation from 1997 to 2002 and also held the role of Senior Deputy General Counsel starting in June 1997. Before joining Dell, Ms. Boggs was a partner with the law firm of Preston Gates & Ellis LLP from 1995 to 1997. Ms. Boggs is also a voting member and Pacific Northwest Chapter Governor of the Recording Academy, and serves on the Newport Festivals Foundation board, overseeing both the Newport Jazz Festival and Newport Folk Festival. She was previously on the board of Fender; a member of the Board of Premera Blue Cross and chair of its compensation and investments committees; a member of the Nominating/Trusteeship, Audit/Compliance (including six years as the chair of the audit committee) and Executive Committees of Johns Hopkins University's board of trustees; a member of the Executive Committee of KEXP Radio, an affiliate of National Public Radio and the University of Washington; a member of the audit committee for School of Rock LLC; a member of the American Bar Association board of governors, chairing its investments committee; a member of the President's Committee for the Arts and the Humanities from 2013 through 2017; a member of the White House Council for Community Solutions from 2010 to 2012; a member of the audit and nominating committee of the American Red Cross; and a member of the board of Sterling Financial Inc. Ms. Boggs holds a B.A. from Johns Hopkins University and a J.D. from the University of California at Berkeley. We believe Ms. Boggs is qualified to serve on the Board due to her extensive governance and Fortune 500 experience with high-growth companies.

**Kent Schofield** holds a bachelor’s degree in economics from UCLA and has a distinguished career in finance and corporate development. From September 2010 to June 2015, he worked for Goldman Sachs, where he served as Vice President and lead equity analyst covering technology companies in the software and hardware industries. Following Goldman Sachs, Mr. Schofield spent 5 years at Uber, from April 2017 to September 2021, in various positions including Director of Investor Relations and Corporate Development. At Uber, Mr. Schofield was one of four Uber representatives for the company’s \$8.1 billion IPO roadshow; he also served as a Director of Strategic Finance at Uber. Since December 2022, Mr. Schofield has been serving as the Chief Financial Officer of Welcome Tech, a leading provider of immigrant and hourly employee subscription services. We believe Mr. Schofield is qualified to serve on the Board due to his extensive public market investing and financial experience.

### **Role of Board in Risk Oversight**

One of the key functions of the Board is informed oversight of the Company’s risk management process. The Board does not currently have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees of the Board that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic risk exposure and the Company’s audit committee (the “Audit Committee”) has the responsibility to consider and discuss the Company’s major financial risk exposures and the steps its management will take to monitor and control such exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Company’s audit committee also monitors compliance with legal and regulatory requirements. The Company’s compensation committee (the “Compensation Committee”) assesses and monitors whether the Company’s compensation plans, policies and programs comply with applicable legal and regulatory requirements. See “*Description of Securities-Anti-Takeover Effects of Delaware Law and the Charter.*”

### **Composition of the Board**

The Company’s business and affairs is managed under the direction of the Board. The Board currently consists of five members, with Joseph Davy serving as Chairman of the Board. The primary responsibilities of the Board are to provide oversight, strategic guidance, counseling, and direction to the Company’s management. The Board meets on a regular basis and additionally as required.

In accordance with the terms of the Charter, the Board is divided into three classes, Class I, Class II and Class III, with only one class of directors being elected in each year and each class serving a three-year term. The Class I directors are elected to an initial one-year term (and three-year terms subsequently), the Class II directors are elected to an initial two-year term (and three-year terms subsequently) and the Class III directors are elected to an initial three-year term (and three-year terms subsequently). There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors.

The Board is divided into the following classes:

- Class I, which consists of Joseph Davy, whose term will expire at the Company’s first annual meeting of stockholders to be held in 2024;

- Class II, which consists of Mason Ward, whose term will expire at the Company’s annual meeting of stockholders to be held in 2025; and
- Class III, which consists of Paula Boggs and Jack Leeney, whose terms will expire at the Company’s third annual meeting of stockholders to be held in 2026.

At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election and until their successors are duly elected and qualified. This classification of the Board may have the effect of delaying or preventing changes in the Company’s control or management. Directors may be removed for cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of all outstanding shares of capital stock of the Company entitled to vote at an election of directors, voting together as a single class.

### Director Independence

The Board has determined that each of the directors of the Company other than Mr. Davy qualify as independent directors, as defined under the listing rules of Nasdaq (the “Nasdaq listing rules”), and that the Board consists of a majority of “independent directors,” as defined under the rules of the SEC and Nasdaq listing rules relating to director independence requirements.

### Board Committees and Committee Composition

The Board has three standing committees: the audit committee, the compensation committee and the nominating and corporate governance committee. Each committee operates under a written charter that has been approved by the Board and satisfies the applicable listing standards of Nasdaq. Written copies of these committee charters may be obtained by contacting our Investor Relations Department at 435 Ericksen Ave NE, Suite 250, Bainbridge Island, WA 98110. These documents are also available on the Corporate Governance section of our website at <https://ir.banzai.io/corporate-governance/governance-overview>.

The Chair of each committee reviews and discusses the agendas and materials for meetings with senior management in advance of distribution to the other committee members, and reports to the Board on actions taken at each committee meeting. The following table sets forth the current membership of each committee.

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Joseph P. Davy	-	-	-
Jack Leeney	-	-	✓
Mason Ward	✓	Chair	✓
Paula Boggs	✓	✓	Chair
Kent Schofield	Chair	✓	-

### Audit Committee

The Audit Committee consists of Kent Schofield, who serves as the chairperson, Mason Ward, and Paula Boggs. Each member qualifies as an independent director under the Nasdaq corporate governance standards, and that each of Ms. Boggs and Mr. Schofield qualifies as independent under the independence requirements of Rule 10A-3 of the Exchange Act. In arriving at this determination, the Board examined each audit committee member’s scope of experience and the nature of their prior and/or current employment.



The Board determined that Mr. Schofield qualifies as an “audit committee financial expert” as such term is defined in Item 407(d)(5) of Regulation S-K and possesses financial sophistication, as defined under the rules of Nasdaq. In making this determination, the Board considered Mr. Schofield: understanding of generally accepted accounting principles and financial statements, ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience in actively supervising one or more persons engaged in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements; understanding of internal control over financial reporting; and understanding of audit committee functions. We are relying on the phase-in exemption provided under Rule 10A-3 of the Exchange Act and the Nasdaq rules. While we believe Mr. Ward may be deemed to own in excess of 10% of our Class A Common Stock, a class of voting securities, as of the date of this prospectus, which would leave him outside the safe harbor provision of SEC Rule 10A-3, Mr. Ward will serve on the Audit Committee under the phase-in exemption referenced above. In accordance with the phase-in exemption, we expect that a majority of the members of our Audit Committee will satisfy the independence standards under the Exchange Act and Nasdaq listing rules within 90 days of the closing of the Business Combination and all members of our Audit Committee will satisfy the independence standards under the Exchange Act and Nasdaq listing rules within 12 months of the Closing of the Business Combination.

The primary purpose of the Audit Committee is to discharge the oversight responsibilities of the Board with respect to our corporate accounting and financial reporting processes, systems of internal control over financial reporting, and financial statement audits, as well as the quality and integrity of the financial statements and reports and to oversee the qualifications, independence, and performance of our independent registered public accounting firm. The Audit Committee also provides oversight assistance in connection with legal, risk, regulatory, and ethical compliance programs established by management and the Board. Specific responsibilities of the Audit Committee include:

- helping the Board oversee its corporate accounting and financial reporting processes;
- reviewing and discussing with management the adequacy and effectiveness of our disclosure controls and procedures;
- assisting with design and implementation of our risk assessment functions;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually that describes our internal quality control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law; and
- approving or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

#### ***Compensation Committee***

The Compensation Committee consists of Mason Ward, who serves as the chairperson, Paula Boggs and Kent. Schofield. Each member is independent under the listing standards of Nasdaq, including Nasdaq’s controlled company exemption which is discussed below, and a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of the Compensation Committee will be to discharge the responsibilities of the Board in overseeing the Company's compensation policies, plans, and programs and to review, approve, and/or recommend the compensation to be paid to its executive officers, directors, and other senior management, as appropriate. Specific responsibilities of the Compensation Committee include:

- reviewing and recommending to the Company's Board the compensation of the Chief Executive Officer and other executive officers;
- reviewing and recommending to the Board the compensation of the Company's directors;
- administering the Company's equity incentive plans and other benefit programs;
- reviewing, adopting, amending and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections and any other compensatory arrangements for the Company's executive officers and other senior management;
- reviewing and establishing general policies relating to compensation and benefits of the Company's employees, including the Company's overall compensation philosophy; and
- reviewing and evaluating with the Chief Executive Officer the succession plans for the Company's executive officers.

#### ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee consists of Paula Boggs, who serves as the chairperson, Jack Leeney and Mason Ward. Each member is independent under the listing standards of Nasdaq, including Nasdaq's controlled company exemption which is discussed below.

Specific responsibilities of the Nominating and Corporate Governance Committee include:

- identifying, reviewing, and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on the Board;
- considering and making recommendations to the Board regarding the composition and chairmanship of the committees of the Board;
- reviewing with the Chief Executive Officer the plans for succession to the offices of the Company's executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to these positions;
- developing and making recommendations to the Board regarding corporate governance guidelines and matters; and
- overseeing periodic evaluations of the Board's performance, including committees of the Board.

## **Code of Business Conduct and Ethics**

We have a code of business conduct and ethics (the “Code of Conduct”) that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We will provide, without charge, a copy of our Code of Conduct upon written request mailed to the attention of our Investor Relations Department at 435 Erickson Ave NE, Suite 250, Bainbridge Island, WA 98110. Our Code of Conduct is available under the Corporate Governance section of our website at <https://ir.banzai.io/corporate-governance/governance-overview>. We will post on our website all disclosures that are required by law or the listing standards of Nasdaq concerning any amendments to, or waivers from, any provision of the Code of Conduct. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

## **Compensation Committee Interlocks and Insider Participation**

None of the members of the Compensation Committee is currently or has been during the Company’s last fiscal year one of its officers or employees. None of the Company’s executive officers currently serves, or has served during the last year, as a member of the Board or Compensation Committee of any entity that has one or more executive officers that serve as a member of the Board or Compensation Committee.

## **Limitation on Liability and Indemnification of Directors and Officers**

Our Charter eliminates each director’s liability for monetary damages for breaches of fiduciary duty as a director, except to the extent prohibited by law, unless a director violated his or her duty of loyalty to the Company or its stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized unlawful payments of dividends, unlawful stock purchases or unlawful redemptions, or derived improper personal benefit from his or her actions as a director. The Charter eliminates directors’ liability for monetary damages to the fullest extent permitted by applicable law. Our Charter requires the Company to indemnify and advance expenses to, to the fullest extent permitted by applicable law, its directors, officers, and agents and prohibit any retroactive changes to the rights or protections or increase the liability of any director in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification. We believe these provisions in our Charter are necessary to attract and retain qualified persons as directors and officers. However, these provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder’s investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

## EXECUTIVE AND DIRECTOR COMPENSATION

### Executive Officer Compensation

Our named executive officers for the fiscal year ended December 31, 2023, consisting of our principal executive officer, principal financial officer and the next two most highly compensated executive officers, were:

Joseph P. Davy, our Chief Executive Officer;

Mark Musburger, our Chief Financial Officer(1);

Simon Baumer, our Chief Technology Officer; and

Ashley Levesque, our Vice President of Marketing(2).

(1) On May 29, 2024, Ashley Levesque resigned from her position as Vice President of Marketing.

(2) On June 5, 2024, Mark Musburger resigned from his position as Chief Financial Officer.

### 2023 Summary Compensation Table

The following table presents the compensation paid or awarded to our named executive officers with respect to the fiscal years ended December 31, 2023 and, to the extent required by SEC disclosure rules, December 31, 2022.

Name and Principal Position	Year	Salary (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)(3)	Total (\$)
Joseph P. Davy	2023	\$ 300,000	\$ -	\$ -	\$ 18,216	\$ 318,216
<i>Chief Executive Officer</i>	2022	237,500	-	-	5,500	243,000
Mark Musburger(4)	2023	216,000	1,133,105(1)	-	-	1,349,105
<i>Chief Financial Officer</i>	2022	-	-	-	-	-
Simon Baumer	2023	250,000	289,559(1)	-	-	539,559
<i>Chief Technology Officer</i>	2022	250,000	38,210	-	-	288,210
Ashley Levesque(5)	2023	180,000	621,296(1)	-	11,594	812,890
<i>Vice President of Marketing</i>	2022	151,818	7,642(2)	-	3,000	162,460

(1) The amounts disclosed represent the (i) aggregate grant date fair value of the stock options granted to our named executive officers during the fiscal year ended December 31, 2023 under the 2016 Plan Equity Incentive Plan (the “2016 Plan”) (Mr. Musburger, \$1,104,209; Mr. Baumer \$262,289; Ms. Levesque, \$595,294) and (ii) the incremental cost under Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation (“ASC Topic 718”) associated with a reduction in the exercise price of certain outstanding options that occurred in December 2023 (Mr. Musburger, \$28,896; Mr. Baumer, \$27,270; Ms. Levesque, \$26,002), each computed in accordance ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 19 to our audited consolidated financial statements included in the registration statement of which this prospectus forms a part. This amount does not reflect the actual economic value that may be realized by the named executive officer.

(2) The amounts disclosed represent the aggregate grant date fair value of the stock options granted to our named executive officers during the fiscal year ended December 31, 2022 under the 2016 Plan computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 19 to our audited consolidated financial statements included elsewhere in the registration statement of which this prospectus forms a part. This amount does not reflect the actual economic value that may be realized by the named executive officer.

(3) Consists of Company contributions to the Company’s 401(k) plan.

(4) On June 5, 2024, Mark Musburger resigned from his position as Chief Financial Officer.

(5) On May 29, 2024, Ashley Levesque resigned from her position as Vice President of Marketing.

## *Narrative Disclosure to Summary Compensation Table*

### *Non-Equity Incentive Plan Compensation*

In addition to base salaries, our named executive officers are eligible to receive annual performance-based cash bonuses, which are designed to provide appropriate incentives to our employees to achieve defined performance goals. None of our named executive officers received or will receive annual performance-based cash bonuses with respect to the fiscal years ended December 31, 2022 or December 31, 2023.

### *Equity Grants*

To further align the interests of our executive officers with the interests of our stockholders and to further focus our executive officers on our long-term performance, Legacy Banzai historically granted equity compensation in the form of stock options. Stock options allow the holder to exercise the stock option and receive shares upon exercise, with the exercise price determined based on the fair market value of a share of common stock at the time of grant.

The stock options granted to our named executive officers vested or will vest in a 25% increment on the one-year anniversary of the vesting commencement date and thereafter 1/48th of the total shares underlying the option award vests in 36 equal monthly installments, subject to the named executive officer's continued service at each vesting date.

During 2023, Ms. Levesque received option grants with respect to 115,000 shares with an original exercise price of \$7.36 per share. On December 6, 2023, the Board approved a repricing of the 2023 option awards granted to Ms. Levesque, reducing the exercise price to \$5.15 per share, which, upon the closing of the Business Combination, then increased to \$8.38 and at the same time the original option grants reduced to 70,685 shares. The exercise price further increased to \$419.00 and at the same time the original grants reduced to 1,414 shares upon completion of the reversed stock split

During 2023, Mr. Baumer received option grants with respect to 50,000 shares with an original exercise price of \$7.36 per share. On December 6, 2023, the Board approved a repricing of the 2023 option awards granted to Mr. Baumer, reducing the exercise price to \$5.15 per share, which, upon the closing of the Business Combination, then increased to \$8.38 and at the same time the original option grants reduced to 30,732 shares. The exercise price further increased to \$419.00 and at the same time the original grants reduced to 615 shares upon completion of the reversed stock split

During 2023, Mr. Musburger received option grants with respect to 150,000 shares with an original exercise price of \$7.36 per share. On December 6, 2023, the Board approved a repricing of the 2023 option awards granted to Mr. Musburger, reducing the exercise price to \$5.15 per share, which, upon the closing of the Business Combination, then increased to \$8.38 and at the same time the original option grants reduced to 92,196 shares. The exercise price further increased to \$419.00 and at the same time the original grants reduced to 1,844 shares upon completion of the reversed stock split

### Outstanding Equity Awards as of December 31, 2023

The following table presents the outstanding equity incentive plan awards held by each named executive officer as of December 31, 2023.

Name	Grant Date	Vesting Commencement Date	Option Awards (1)			
			Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#) (2)	Option Exercise Price Per Share (\$)	Option Expiration Date
Joseph P. Davy	-	-	-	-	-	-
Mark Musburger(3)	12/3/2023	10/1/2023	-	922	\$ 419.00	12/2/2033
	12/3/2023	12/9/2022	184	553	\$ 419.00	3/1/2033
	12/3/2023	12/9/2022	277	830	\$ 419.00	3/1/2033
Simon Baumer						
Simon Baumer	12/3/2023	12/9/2022	154	461	\$ 419.00	3/1/2033
	2/16/2022	1/31/2022	295	320	\$ 138.50	2/15/2032
	7/14/2021	7/1/2021	371	243	\$ 141.00	7/14/2031
Ashley Levesque(4)	12/3/2023	6/1/2022	530	884	\$ 419.00	3/1/2033
	2/16/2022	1/31/2022	5	64	\$ 138.50	2/15/2032
	7/14/2021	2/21/2021	3	43	\$ 141.00	7/14/2031
	7/14/2021	7/1/2021	38	63	\$ 141.00	7/14/2031

(1) Each of the equity awards was granted under the 2016 Plan.

(2) 25% of the total shares underlying the option award vest on the one-year anniversary of the vesting commencement date, thereafter 1/48th of the total shares underlying the option award vest in 36 equal monthly installments, subject to the named executive officer's continued service at each vesting date.

(3) On June 5, 2024, Mark Musburger resigned from his position as Chief Financial Officer.

(4) On May 29, 2024, Ashley Levesque resigned from her position as Vice President of Marketing

### Additional Narrative Disclosure

#### 401(k) Plan

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Code limits, which are updated annually. We make employer contributions under the 401(k) plan and also have the ability to make employer profit sharing contributions to the 401(k) plan. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

### Non-Employee Director Compensation

The Board reviews director compensation periodically to ensure that director compensation remains competitive such that the Company is able to recruit and retain qualified directors. While none of the non-employee directors received compensation during the fiscal years ended December 31, 2023 or December 31, 2022 for services rendered to the Company, in December 2023, the Company adopted a board of directors' compensation program that is designed to align compensation with the Company's business objectives and the creation of stockholder value, while enabling the Company to attract, retain, incentivize, and reward directors who contribute to the long-term success of the Company. Under that program, our non-employee directors are eligible to receive the following:

- Annual base retainer of \$100,000, to be paid as determined by the compensation committee;

- Committee Chair Retainers: Audit Committee, \$10,000; Compensation Committee, \$5,000; and Nominating and Corporate Governance Committee, \$5,000.
- Committee Member Retainers: Audit Committee, \$5,000; Compensation Committee, \$2,500; and Nominating and Corporate Governance Committee, \$2,500

Our non-employee directors are also reimbursed for their reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in Board and committee meetings.

**Disclosure of Policies and Practices Related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information.**

***Rule 10b5-1 Sales Plans***

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The director or executive officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information, subject to compliance with the terms of our insider trading policy. The sale of any shares under such a plan will be subject to the Lock-Up Agreements, to the extent that the selling director or executive officer is a party thereto.

**Emerging Growth Company Status**

We are an “emerging growth company,” as defined in the JOBS Act. As an emerging growth company, we are exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of our chief executive officer to the median of the annual total compensation of all of our employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2022 and any currently proposed transactions to which the Company was or is to be a participant in which the amount involved exceeded or will exceed the lesser of \$120,000 and one percent of the average of the Company's total assets at year end for the last two completed fiscal years, and in which any of the Company's directors, executive officers or, to the Company's knowledge, beneficial owners of more than 5% of the Company's capital stock, or their immediate family members have had or will have a direct or indirect material interest, other than compensation and other arrangements that are described under the section of this prospectus titled "Executive and Director Compensation."

### **Amended & Restated Registration Rights Agreement**

In connection with the Business Combination, on the Closing Date, the Company, the Sponsor and certain securityholders of 7GC and Legacy Banzai entered into the Amended and Restated Registration Rights Agreement (the "A&R Registration Rights Agreement"), which amended and restated that certain Registration Rights Agreement, dated December 22, 2020. The A&R Registration Rights Agreement provides these holders (and their permitted transactions) with the right to require the Company, at the Company's expense, to register shares of Class A Common Stock that they hold on customary terms for such a Business Combination, including customary demand and piggyback registration rights. The A&R Registration Rights Agreement also provides that the Company pay certain expenses of the electing holders relating to such registrations and indemnify them against certain liabilities that may arise under the Securities Act.

In addition, subject to certain exceptions, the A&R Registration Rights Agreement provides for certain restrictions on transfer with respect to the securities of the Company. Such restrictions began upon Closing and end at the earliest of (A) 180 days after the Closing and (B) the first date on which (x) the closing price of Class A Common Stock equals or exceeds \$12.00 per share for any 20 trading days within any 30-trading day period commencing at least 150 days after the Closing or (y) the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in the Company's stockholders having the right to exchange their shares of Class A Common Stock for cash, securities, or other property.

### **Lock-up Agreements**

In connection with the Business Combination, on the Closing Date, the Company and certain stockholders and executives of Legacy Banzai, including Legacy Banzai's officers, directors, and certain holders of 10% or more of the outstanding shares of Legacy Banzai Common Stock as of the date of the Merger Agreement, entered into Lock-Up Agreements effective as of the Closing Date (each, a "Lock-Up Agreement"). The terms of the Lock-Up Agreements provide that such signatory stockholders agree not to, without the prior written consent of the Company (subject to certain exceptions): (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Act and the rules and regulations of the SEC promulgated thereunder, any shares of Common Stock held by him, her, or it immediately after the Closing, any shares of Common Stock issuable upon the exercise of options to purchase shares, or any securities convertible into or exercisable or exchangeable for Common Stock held by him, her, or it immediately after the Closing, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of such shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (iii) publicly announce any intention to effect any transaction specified in clause (i) or (ii) until 180 days after the Closing Date.



## *Share Transfer Agreements*

On December 13, 2023, in connection with the Business Combination, 7GC and the Sponsor entered into a share transfer agreement (the “December Share Transfer Agreement”) with Alco, pursuant to which for each \$500.00 in principal borrowed under the New Alco Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three shares of Class A Common Stock, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 12,000. On October 3, 2023 and November 16, 2023, 7GC, the Sponsor, and Alco also entered into share transfer agreements, pursuant to which the Sponsor agreed to forfeit an aggregate of 4,500 shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive 4,500 shares of Class A Common Stock at (and contingent upon) the Closing (such share transfer agreements together with the December Share Transfer Agreement, the “Share Transfer Agreements”). Alco is subject to a 180-day lock-up period with respect to such shares of Class A Common Stock pursuant to the Share Transfer Agreements, subject to customary exceptions. Additionally, in connection with the December Share Transfer Agreement, (a) Legacy Banzai issued the New Alco Note to Alco in the aggregate principal amount of \$2.0 million, which bears interest at a rate of 8% per annum and will be due and payable on December 31, 2024, and (b) Legacy Banzai, Alco, and the Lender agreed to amend that certain Subordinated Promissory Note issued by Legacy Banzai to Alco on September 13, 2023 in the aggregate principal amount of \$1.5 million to extend the maturity date from January 10, 2024 to September 30, 2024. Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 16,500 shares of the class B common stock of 7GC and (ii) the Company issued to Alco 16,500 shares of Class A Common Stock pursuant to the Share Transfer Agreements.

## ***7GC Related Party Transactions***

### *Related Party Loans*

In connection with the extension of 7GC’s deadline to consummate an initial business combination, on December 21, 2022, 7GC issued to the Sponsor an unsecured promissory note, dated as of December 21, 2022 (the “2022 Promissory Note”), which provided for borrowings from time to time of up to an aggregate of \$2.3 million. On October 3, 2023, 7GC also issued to the Sponsor an unsecured promissory note, dated as of October 3, 2023 (the “2023 Promissory Note,” and together with the 2022 Promissory Note, the “7GC Promissory Notes”), which provided for borrowings from time to time of up to an aggregate of \$500,000.

Upon the Closing of the Business Combination, the 7GC Promissory Notes became payable, and the Sponsor gained the option, but not the obligation, to convert the principal balance of the 7GC Promissory Notes, in whole or in part, into shares of Class A Common Stock (the “Converted Shares”) equal to the principal amount of the 7GC Promissory Notes so converted divided by \$500.00. On December 12, 2023, in connection with the Business Combination, the Sponsor and 7GC amended the optional conversion provision of the 7GC Promissory Notes to provide that the Sponsor has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the Closing at a conversion price equal to the average daily VWAP of Class A Common Stock for the 30 trading days following the Closing. Pursuant to these amended terms, each of the 7GC Promissory Notes was converted in full on February 2, 2024, resulting in the issuance to the Sponsor of an aggregate of 17,812 shares of our Class A Common Stock.

### *Administrative Support Agreement*

As of December 31, 2023, the Company had accrued a total of approximately \$40,000 related to office space, utilities, and secretarial and administrative support services, incurred by our predecessor, 7GC.

## Legacy Banzai Related Party Transactions

### Convertible Note Financing

Beginning in July 2022, Legacy Banzai issued convertible promissory notes (the “2022 Notes”) to certain accredited investors in an aggregate principal amount of approximately \$6.0 million (of which \$4.2 million was issued to related parties). The 2022 Notes accrued interest at a rate of 8% per annum. During the year ended December 31, 2023, Legacy Banzai issued additional convertible promissory notes to certain accredited investors in an aggregate principal amount of approximately \$4.0 million (of which \$2.6 million was issued to related parties) under the same terms of the 2022 Notes (together with the 2022 Notes, the “Legacy Banzai Notes”). The Legacy Banzai Notes, including principal and interest, converted into shares of our Class A Common Stock in connection with the Closing of the Business Combination.

The table below sets forth the aggregate principal amount of Legacy Banzai Notes issued to Legacy Banzai’s related parties:

<b>Stockholder</b>	<b>Aggregate Principal Amount</b>
Entities Affiliated with DNX Partners (1)	\$ 1,500,000
Alco (2)	\$ 5,100,538
William Bryant (3)	\$ 33,000
Mason Ward (4)	\$ 150,000

(1) Consists of (i) a 2022 Note issued to DNX III in the principal amount of \$717,000 (ii) a 2022 Note issued to DNX Japan III in the principal amount of \$258,000, (iii) a 2022 Note issued to DNX S-III in the principal amount of \$25,000, (iv) a 2022 Note issued to DNX III in the principal amount of \$358,500, (v) a 2022 Note issued to DNX Japan III in the principal amount of \$129,000, (vi) a 2022 Note issued to DNX S-III in the principal amount of \$12,500 ((i)-(iii) together, the “2022 DNX Notes”, (iv)-(vi) together, the “2023 DNX Notes” and, the 2022 DNX Notes and the 2023 DNX Notes, together, the “DNX Notes”). The 2022 DNX Notes were issued in on July 1, 2022 and the 2023 DNX Notes were issued on May 11, 2023.

(2) Consists of (i) a 2022 Note issued to Alco in the principal amount of \$1,000,000 on July 1, 2022, (ii) a 2022 Note issued to Alco in the principal amount of \$2,100,538.22 on July 19, 2022, (iii) a 2023 Note issued to Alco in the principal amount of \$1,500,000 on March 8, 2023 and (iv) a 2023 Note issued to Alco in the principal amount of \$500,000 on May 10, 2023.

(3) Consists of (i) a 2023 Note issued to William Bryant in the principal amount of \$33,000 on June 6, 2023. William Bryant resigned as one of our directors on September 9, 2024.

(4) Consists of (i) a 2022 Note issued to Mason Ward in the principal amount of \$50,000 on July 28, 2022, (ii) a 2022 Note issued to Mason Ward in the principal amount of \$50,000 on September 2, 2022, and (iii) a 2023 Note issued to Mason Ward in the principal amount of \$50,000 on June 14, 2023.

### Promissory Notes

On August 30, 2023, the Company issued the Alco August Promissory Note in the aggregate principal amount of \$150,000 to Alco. Alco held approximately 5% of the issued equity of the Company, through its ownership of Series A Preferred Stock, for all periods presented. The Alco August Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on the earlier of August 29, 2024 and the closing of the next transaction in which the Company sells for cash any of its equity securities (i) with net proceeds of greater than \$4,000,000 or (ii) pursuant to which the note holder acquires equity securities in an amount not less than the then-outstanding balance of the Alco August Promissory Note, as amended on May 30, 2024; such amendment also provides the holder with a purchase right should the company conduct an offering while the Alco August Promissory Note is outstanding.

On September 13, 2023, the Company issued the Alco September Promissory Note in the aggregate principal amount of up to \$1,500,000 to Alco. The Alco September Promissory Note bears interest at a rate of 8% per annum. In December 2023, the Alco September Promissory Note was amended pursuant to the Alco September Promissory Note Amendment to extend the maturity date to September 30, 2024.

On November 16, 2023, the Company issued the Alco November Promissory Note in the aggregate principal amount of up to \$750,000 to Alco. The Alco November Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on the earlier of August 29, 2024 and the closing of the next transaction in which the Company sells for cash any of its equity securities (i) with net proceeds of greater than \$4,000,000 or (ii) pursuant to which the note holder acquires equity securities in an amount not less than the then-outstanding balance of the Alco November Promissory Note, as amended on May 30, 2024; such amendment also provides the holder with a purchase right should the company conduct an offering while the Alco August Promissory Note is outstanding. As of December 31, 2023, \$750,000 of principal and \$7,397 of accrued interest is outstanding under the Alco November Promissory Note recorded in note payable-related party on the consolidated balance sheets.

On December 13, 2023, the Company issued a subordinate promissory note (“Alco December Promissory Note”) in the aggregate principal amount of up to \$2,000,000 to Alco. The Alco December Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on December 31, 2024. As of December 31, 2023, \$2,000,000 of principal and \$7,890 of accrued interest is outstanding under the Alco December Promissory Note recorded in note payable-related party on the consolidated balance sheets.

#### Series A Preferred Stock Financing

In February 2020, Legacy Banzai issued and sold an aggregate of 2,129,476 shares of its Series A-1 Preferred Stock at a purchase price of \$2.9155 per share, for an aggregate purchase price of approximately \$6.2 million, and issued an aggregate of 199,347 shares of its Series A-2 Preferred Stock upon conversion of an aggregate of \$100,000 in SAFE Agreements.

The table below sets forth the number of shares of Legacy Banzai Series A Preferred Stock purchased by Legacy Banzai’s related parties, which were converted into shares of our Class A Common Stock in connection with the Closing of the Business Combination:

<b>Stockholder</b>	<b>Shares of Series A-1 and Series A-2 Preferred Stock</b>	<b>Total Cash Purchase Price</b>	<b>Conversion of SAFE</b>
Entities affiliated with DNX Partners (1)	1,371,977	\$ 3,999,999	\$ -
Alco (2)	524,219	\$ 999,999	\$ 100,000
William Bryant (3)	17,149	\$ 49,998	\$ -

(1) Consists of (i) 1,104,166 shares of Series A-1 Preferred Stock purchased by DNX III, (ii) 350,266 shares of Series A-1 Preferred Stock purchased by DNX Japan III, and (iii) 7,545 shares of Series A-1 Preferred Stock purchased by DNX S-III. DNX III LLC is the general partner of DNX III and DNX Japan III, and DNX S3 is the general partner of DNX S-III. Mitch Kitamura, a member of Banzai’s board of directors, is the manager of each of DNX III LLC and DNX S3.

(2) Consists of (i) 342,994 shares of Series A-1 Preferred Stock purchased by Alco and (ii) 181,225 shares of Series A-2 Preferred Stock purchased by Alco in consideration of the conversion of a SAFE Agreement issued to Alco in 2016.

(3) Consists of 17,149 shares of Series A-1 Preferred Stock purchased by William Bryant. William Bryant resigned as one of our directors on September 9, 2024.

#### SAFE Financing

In September 2021, Legacy Banzai entered into SAFE Agreements (the “2021 SAFEs”) with accredited investors in an aggregate principal amount of approximately \$3.8 million.

The table below sets forth the aggregate principal amount of 2021 SAFEs issued to Legacy Banzai’s related parties, which was converted into shares of our Class A Common Stock in connection with the Closing of the Business Combination:

<b>Stockholder (3)(4)</b>	<b>Aggregate Principal Amount</b>
Entities Affiliated with DNX Partners (1)	\$ 1,000,000
Alco (2)	\$ 2,500,000
William Bryan (3)	\$ 67,000

(1) Consists of (i) a 2021 SAFE entered into with DNX III in the principal amount of \$717,000, (ii) a 2021 SAFE entered into with DNX Japan III in the principal amount of \$258,000, and (iii) a 2021 SAFE entered into with DNX S-III in the principal amount of \$25,000 (together, the “DNX SAFEs”). Each of the DNX SAFEs were issued on September 17, 2021. DNX III LLC is the general partner of DNX III and DNX Japan III, and DNX S3 is the general partner of DNX S-III. Mitch Kitamura, a member of Banzai’s board of directors, is the manager of each of DNX III LLC and DNX S3.

- (2) Consists of a 2021 SAFE in the principal amount of \$2,500,000 issued to Alco on September 17, 2021.
- (3) Consists of a 2021 SAFE in the principal amount of \$67,000 issued to William Bryant on September 17, 2021. William Bryant resigned as one of our directors on September 9, 2024.

### **Related Person Transactions Policy**

The Company is in the process of formally adopting a written related person transactions policy. The Board has historically identified, reviewed and approved any transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships) in Banzai or any of its subsidiaries and related persons are, were or would be participants, including the transactions described above. Prior to approving such a transaction, the material facts as to a director or officer's relationship or interest in the agreement or transaction were disclosed to the Board.

Under the policy, a related person is any executive officer, director, nominee to become a director or a security holder known by us to beneficially own more than 5% of any class of our voting securities (a "significant stockholder"), including any of their immediate family members and affiliates, including entities controlled by such persons or such person has a 5% or greater beneficial ownership interest.

Each director and executive officer shall identify, and we shall request each significant stockholder to identify, any related person transaction involving such director, executive officer or significant stockholder or his, her or its immediate family members and inform the Chair of our Audit Committee pursuant to this policy before such related person may engage in the transaction. Each related person transaction must be reviewed and approved in accordance with our related party transactions policy either by the Audit Committee or, if the Audit Committee determines that the approval of such related party transaction should be considered by all of the disinterested, independent members of the Board, by the disinterested, independent members of the Board by the vote of a majority thereof.

In considering related person transactions, our Audit Committee or the disinterested, independent members of the Board, as the case may be, take into account the relevant available facts and circumstances, which may include, but are not limited to:

- the size of the transaction and the amount payable to a related party;
- the nature of the interest of the related party in the transaction;
- whether the transaction may involve a conflict of interest;
- whether the transaction involves the provision of goods or services to the Company that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to the Company as would be available in comparable transactions with or involving unaffiliated third parties; and
- any other information regarding the related party transaction or related party that would be material to investors in light of the circumstances of the transaction.

Our Audit Committee or the disinterested, independent members of the Board, as the case may be, shall approve only those related party transactions that they determine in good faith, based on all of the relevant information available to them, are in the best interests of the Company and our stockholders.

## PRINCIPAL SECURITYHOLDERS

The following table sets forth information regarding the beneficial ownership of shares of our Class A Common Stock and Class B Common Stock as of October 14, 2024 for:

- each person known to us to be the beneficial owner of more than 5% of our outstanding shares of Common Stock;
- each of our named executive officers;
- each of our directors; and
- all directors and named executive officers as a group.

Beneficial ownership of our Common Stock is determined in accordance with the rules of the SEC and generally includes voting and investment power with respect to the securities. Except as otherwise provided by footnote, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them. The number of shares of Common Stock used to calculate the percentage ownership of each listed person includes the shares of Common Stock underlying options or warrants or convertible securities held by such persons that are currently exercisable or convertible within 60 days of October 14, 2024, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Beneficial ownership as set forth below is based on our review of our record stockholders list and public ownership reports filed by certain stockholders of the Company and may not include certain securities held in brokerage accounts or beneficially owned by the stockholders described below.

Percentage of beneficial ownership is based on 2,038,152 shares of Class A Common Stock and 2,311,134 shares of Class B Common Stock outstanding as of October 14, 2024 reflecting reverse stock split ratio at 1 to 50.

Name and Address of Beneficial Owner <sup>†</sup>	Class A Common Stock		Class B Common Stock		% Total Voting Power <sup>††</sup>
	Shares	%	Shares	%	
<b>Directors and Named Executive Officers:</b>					
Jack Leeney (1)	60,747	2.98%	—	—	*%
Joseph Davy (2)	88	*%	2,311,134	100%	91.89%
Simon Baumer (3)	1,268	*%	—	—	*%
Rachel Stanley (4)	1,226	*%	—	—	*%
Mason Ward (5)	330,851	16.22%	—	—	*%
Paula Boggs	—	*%	—	—	*%
Alvin Yip (6)	72	*%	—	—	*%
Kent Schofield	2,752	*%	—	—	*%
<b>All Directors and Executive Officers of the Company as a Group (8 Individuals)</b>	397,003	19.47%	2,311,134	100%	93.47%
<b>Five Percent or Greater Holders:</b>					
CPBF Lending LLC (7)	330,849	16.22%	—	—	*%
Alco Investment Company (5)	330,346	16.20%	—	—	*%

\* Less than 1%.

<sup>†</sup> Unless otherwise noted, the business address of each of the following persons is c/o Banzai International, Inc., 435 Ericksen Ave NE, Suite 250, Bainbridge Island, WA 98110.

<sup>††</sup> Each share of Class A Common Stock entitles its holders to one vote per share; each share of Class B Common Stock entitles its holder to ten votes on all matters presented to our stockholders generally. As a result, percentage of voting power is based on 25,150,492 total votes.

- (1) 7GC & Co. Holdings LLC (“Holdings”) is the record holder of the Company shares. VII Co-Invest Sponsor LLC and HC 7GC Partners I LLC are the managing members of Holdings. VII Co-Invest Sponsor LLC is managed by SP Global Advisors LLC, which is managed by Jack Leeney. Each of Tom Hennessy and Joseph Beck are the managing members of HC 7GC Partners I LLC. As such, each of the foregoing individuals have voting and investment discretion with respect to and may be deemed to have shared beneficial ownership of Class A Common Stock held of record by Holdings. Each such entity or person disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest they may have therein, directly or indirectly. The address of Sponsor is 388 Market Street, Suite 1300, San Francisco, CA 94111.
- (2) Consists of 88 shares of Class A Common Stock and 2,311,134 shares of Class B Common Stock. Each share of Class B Common Stock entitles its holder to ten votes on all matters presented to our stockholders generally, which has the effect of concentrating the majority of the aggregate voting power of our Common Stock with Mr. Davy (approximately 91.89% of the aggregate voting power as of October 14, 2024).
- (3) Consists of options to purchase 1,268 shares of Class A Common Stock exercisable within 60 days of October 14, 2024.
- (4) Consists of 120 shares of Class A Common Stock and options to purchase 1,106 shares of Class A Common Stock exercisable within 60 days of October 14, 2024.
- (5) Consists of 504 shares of Class A Common Stock held directly by Mason Ward and 330,346 shares of Class A Common Stock held directly by Alco. Mr. Ward is the Chief Financial Officer of Alco and, in such capacity, has voting and investment control over the shares held by Alco such that Mason Ward may be deemed to indirectly beneficially own the shares owned directly by Alco. The address of Alco is 33930 Weyerhaeuser Way S., Suite 150, Federal Way, Washington 98001.
- (6) Consists of options to purchase 72 shares of Class A Common Stock exercisable within 60 days of October 14, 2024.
- (7) The address of CPBF Lending LLC is 1910 Fairview Avenue, Suite 200 Seattle, WA 98102

## SELLING SECURITYHOLDERS

This prospectus relates to the possible resale from time to time by the selling shareholders of the shares of Class A Common Stock. For additional information regarding the issuance of Common Stock covered by this prospectus, see the section titled “Recent Events - Debt Equitization Plan” above.

We are registering the shares of common stock pursuant to the provisions of the agreements we entered into with the Selling Securities as part of the Debt Equitization Plan to permit such entities to offer the shares of Common Stock for resale from time to time. Except for the transactions contemplated by the Debt Equitization Plan, none of the Selling Securityholders have had any material relationship with us within the past three years.

We are registering an additional 15% of shares of Class A Common Stock to account for the additional shares that may be owed to the Selling Shareholders as a result of our changing stock price, since the number of shares issuable to the Selling Shareholders under the applicable Debt Equitization Plan agreement is based upon our stock price at the time of issuance, which is after this Registration Statement is declared effective. For purposes of this Registration Statement, to calculate the number of shares to register, we assumed the issuance date was October 9, 2024 and used a stock price of \$3.666 per share, which is the average of the closing price of our Class A Common Stock for the five trading days preceding October 9, 2024.

The following table sets forth:

- the name of the Selling Securityholder;
- the number of our Shares of Common Stock that the Selling Securityholder beneficially owned prior to the Offering for resale of the shares under this prospectus;
- the maximum number of our Shares of Common Stock that may be offered for resale for the account of the Selling Securityholders under this prospectus; and
- the number and percentage of our Shares of Common Stock beneficially owned by the Selling Securityholder after the Offering of the shares (assuming all of the offered shares are sold by the Selling Securityholders), is based on 2,039,152 shares of Common stock outstanding immediately after the split as of the date hereof; as stated previously, these figures do not include:
  - 230,000 shares issuable upon exercise of outstanding Public Warrants with an exercise price of \$575.00;
  - 16,571 shares issuable upon exercise of the GEM Warrant with an exercise price of \$324.50 per share, which will be adjusted downward to 105% of the per share consideration received in this offering pursuant to anti-dilution price protections contained within those warrants (See “Description of Securities-Warrants-GEM Warrant”);
  - 121,661 shares issuable for repayment of GEM Promissory Noted based on a VWAP of \$3.863;
  - 10,205 shares issuable upon exercise of outstanding stock options with a weighted average exercise price of \$253.99 granted through October 14, 2024;
  - 12,959 shares issuable upon vesting of outstanding restricted stock units granted through October 14, 2024;
  - 2,698,696 shares issuable upon conversion of Senior Convertible Notes;
  - 2,311,134 shares issuable upon conversion of outstanding shares of Class B Common Stock;
  - 277,778 shares issuable upon exercise of outstanding Common Stock Purchase Warrants with an exercise price of \$9.00; and
  - 16,667 shares issuable upon exercise of Placement Agent Warrants issued pursuant to the “best efforts” public offering the Company completed in May 2024.

Other than J.V.B., none of the Selling Securityholders is a broker dealer or an affiliate of a broker dealer. None of the Selling Securityholders has any agreement or understanding to distribute any of the shares being registered.

Each Selling Securityholder may offer for sale all or part of the shares from time to time. The table below assumes that the Selling Securityholders will sell all of the shares offered for resale. A Selling Securityholder is under no obligation, however, to sell any shares pursuant to this prospectus.

Name of Selling Securityholder	Shares of Common Stock Beneficially Owned Prior to Offering <sup>(1)</sup>	Maximum Number of Shares of Common Stock to be Sold	Number of Shares of Common Stock Owned After Offering <sup>(2)</sup>	Percentage Ownership After Offering <sup>(3)</sup>
Gem Global Yield LLC SCS (4)	0	150,000	0	*
J.V.B Financial Group, LLC (5)	29,078	29,078	0	*
Perkins Coie LLP(6)	0	600,000	0	*
Roth Capital Partners, LLC (7)	35,294	35,294	0	*
Verista Partners, Inc. (8)	0	30,000	0	*
Hudson Global Ventures, LLC (9)	45,000	45,000	0	*

\* Represents beneficial ownership of less than one percent of our outstanding shares (assuming all of the offered shares are sold by the Selling Securityholders).

(1) For the purpose of this selling securityholder table only, the Offering refers to the resale of the Shares of Common Stock by each Selling Securityholder listed above. This column includes shares of Common Stock owned by each listed Selling Securityholder prior to the Offering.

(2) Since we do not have the ability to control how many, if any, of their shares each of the Selling Securityholders will sell, we have assumed that the Selling

Securityholders will sell all of the shares offered herein for purposes of determining how many shares they will own after the Offering and their percentage of ownership following the Offering.

- (3) All percentages have been rounded up to the nearest one hundredth of one percent.
- (4) Includes 15% additional shares to account for the additional shares that may be owed to Gem as a result of our changing stock price, since the number of shares issuable to Gem under the applicable agreement is based upon dividing the Monthly Payment Amount (as defined in the agreement) by the volume weighted average price for the trading day immediately preceding the payment due date. For purposes of this Registration Statement, we assumed the payment due date was October 9, 2024, and therefore, the price was calculated to be \$3.666 per share. The person having voting and dispositive power over Gem is Christopher F. Brown. The business address of Gem is 9 West 57<sup>th</sup> Street, 49<sup>th</sup> Floor, New York, NY 10019.
- (5) J.V.B. Financial Group, LLC is a subsidiary of J.V.B. Financial Holdings, LLC which is owned by Cohen & Company, LLC, the operating entity for Cohen & Company Inc., which is controlled by its CEO, Lester Brafman. The person having voting and dispositive power over J.V.B. is Jerry Serowik. The address of the persons and entities listed above is 1825 NW Corporate Blvd, Suite 100, Boca Raton, FL 33431.
- (6) Includes 15% additional shares to account for the additional shares that may be owed to Perkins as a result of our changing stock price, since the number of shares issuable to Perkins under the applicable agreement is based upon the lower of: (i) the closing price reported by Nasdaq on the date immediately preceding the date of issuance; and (ii) the average closing price reported by Nasdaq for the five trading days immediately preceding the date of issuance. For purposes of this Registration Statement, we assumed the issuance date was October 9, 2024, and therefore, the price was calculated to be \$3.666 per share. Perkins as an entity does not have an individual with the power to vote or dispose the securities on behalf of the firm, and no partner or employee of the firm has, or in the last three years has had, in its individual capacity, a material relationship with the Company. The address of Perkins is 1120 NW Couch Street, 10<sup>th</sup> Floor, Portland, OR 97209.
- (7) 35,294 shares issued on September 6, 2024, pursuant to Addendum to engagement letters dated February 2, 2024 includes 12,000 shares previously registered in Amendment No.1 on February 5, 2024, of the registration statement initially filed on December 29, 2023. Byron Roth is the Chairman and Chief Executive Officer and Gordon Roth is the Chief Operating Officer and Chief Financial Officer of Roth Capital Partners, LLC. In these positions, both Mr. Byron Roth and Mr. Gordon Roth may be deemed to have voting and dispositive power over the shares held by this entity. The address of Roth is 888 San Clemente Dr Ste 400, Newport Beach, CA 92660.
- (8) Includes 15% additional shares to account for the additional shares that may be owed to Verista as a result of our changing stock price, since the number of shares issuable to Verista under the applicable agreement is based upon the quotient of \$66,666 by the greater of: (i) the VWAP for the five trading days immediately preceding the “Deadline” (as defined in the agreement); and (ii) the “Minimum Price” as defined under Nasdaq Rule 5635(d). For purposes of this Registration Statement, we assumed the Deadline was October 9, 2024, and therefore, the price was calculated to be \$3.666 per share. The person having voting and dispositive power over Verista is Bruce Biegel. The address of Verista is 16001 Collins Avenue, Apt 3707, Sunny Isles Beach, FL 33160.
- (9) 45,000 shares issued on October 15, 2024, pursuant to the Consulting Agreement by and between the Company and Hudson Global Ventures, LLC, dated September 26, 2024. The person having voting and dispositive power over Hudson is Seth Ahdoot. The address of Hudson is 1 Linden Place, Suite 210, Great Neck, NY 11021.



## PLAN OF DISTRIBUTION

The selling shareholders and any of their respective pledgees, donees, assignees and other successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling shareholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits the purchaser;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal;
- facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately-negotiated transactions;
- broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share;
- through the writing of options on the shares;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling shareholders may also sell shares under Rule 144 of the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus. The selling shareholders shall have the sole and absolute discretion not to accept any purchase offer or make any sale of shares if it deems the purchase price to be unsatisfactory at any particular time.

The selling shareholders or their respective pledgees, donees, transferees or other successors in interest, may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling shareholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling shareholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then existing market price. We cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, the selling shareholders. The selling shareholders and any brokers, dealers or agents, upon effecting the sale of any of the shares offered in this prospectus, may be deemed to be “underwriters” as that term is defined under the Securities Act, the Exchange Act and the rules and regulations of such acts. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to the selling shareholders, but excluding brokerage commissions or underwriter discounts.

The selling shareholders, alternatively, may sell all or any part of the shares offered in this prospectus through an underwriter. The selling shareholders have not entered into any agreement with a prospective underwriter and there is no assurance that any such agreement will be entered into.

The selling shareholders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling shareholder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares. The selling shareholders and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Exchange Act, and the rules and regulations under such act, including, without limitation, Regulation M. These provisions may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by, the selling shareholders or any other such person. In the event that any of the selling shareholders are deemed an affiliated purchaser or distribution participant within the meaning of Regulation M, then the selling shareholders will not be permitted to engage in short sales of common stock. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. In addition, if a short sale is deemed to be a stabilizing activity, then the selling shareholders will not be permitted to engage in a short sale of our common stock. All of these limitations may affect the marketability of the shares.

If a selling shareholder notifies us that it has a material arrangement with a broker-dealer for the resale of the common stock, then we would be required to amend the registration statement of which this prospectus is a part, and file a prospectus supplement to describe the agreements between the selling shareholder and the broker-dealer.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc., or FINRA, the maximum consideration or discount to be received by any member of the FINRA may not exceed 8% of the aggregate amount of the securities offered pursuant to this prospectus.

This offering will terminate on the date that all shares of our Common Stock offered by this prospectus have been sold by the Selling Stockholder.

## SHARES ELIGIBLE FOR FUTURE SALE

### *Lock-Up Agreement*

In connection with the Business Combination, on the Closing Date, the Company and certain stockholders and executives of Legacy Banzai, including Legacy Banzai's officers, directors, and certain holders of 10% or more of the outstanding shares of Legacy Banzai Common Stock as of the date of the Merger Agreement, entered into Lock-Up Agreements effective as of the Closing Date (each, a "Lock-Up Agreement"). The terms of the Lock-Up Agreements provide that such signatory stockholders agree not to, without the prior written consent of the Company (subject to certain exceptions): (i) sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Act and the rules and regulations of the SEC promulgated thereunder, any shares of Common Stock held by him, her, or it immediately after the Closing, any shares of Common Stock issuable upon the exercise of options to purchase shares, or any securities convertible into or exercisable or exchangeable for Common Stock held by him, her, or it immediately after the Closing, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of such shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or (iii) publicly announce any intention to effect any transaction specified in clause (i) or (ii) until 180 days after the closing date of the Business Combination.

Under the Lock-Up entered into in September 2024, the Company's CEO, Joe Davy, agreed not to sell an aggregate of 2,311,134 shares of Class B Common Stock that he owns, directly or underlying derivative securities until such time as CP BF no longer owns any of the CP BF Registrable Securities.

### *Shares Registered for Resale*

In addition to the shares being registered with this prospectus, Banzai filed the following registration statements:

- Form S-1 (File No. 333-276307) with the SEC for purposes of registering the resale from time to time of up to 485,550 shares of Common Stock (representing approximately 19.23% of our issued and outstanding shares of Common Stock and approximately 22.82% of our issued and outstanding shares of Common Stock held by non-affiliates (in each case, assuming the exercise of all of our warrants)), which was declared effective on February 14, 2024.
- Form S-1 (File No. 333-282232) with the SEC for purposes of registering for resale from time to time up to 25,000,000 shares of Common Stock (representing approximately 92.46% of our issued and outstanding shares of Common Stock and approximately 93.84% of our issued and outstanding shares of Common Stock held by non-affiliates (in each case, assuming the exercise of all of our warrants)), which was declared effective on September 26, 2024.
- Form S-1 (File No. 333-278871) with the SEC for purposes of registering the resale from time to time of up to 352,941 shares of Common Stock (representing approximately 14.75% of our issued and outstanding shares of Common Stock and approximately 17.69% of our issued and outstanding shares of Common Stock held by non-affiliates (in each case, assuming the exercise of all of our warrants)), which was declared effective on May 21, 2024.
- Form S-1 (File No. 333-282506) with the SEC for purposes of registering for resale from time to time up to 3,617,648 shares of Common Stock (representing approximately 63.95% of our issued and outstanding shares of Common Stock and approximately 68.78% of our issued and outstanding shares of Common Stock held by non-affiliates (in each case, assuming the exercise of all of our warrants)).
- Form S-1 (File No. 333-282306) with the SEC for purposes of registering for resale from time to time up to an aggregate 6,143,057 shares of Common Stock, 613,269 shares issued as of October 11, 2024. 5,529,788 shares are issuable as of the date hereof including shares underlying notes and warrants (representing approximately 73.06% of our issued and outstanding shares of Common Stock and approximately 77.10% of our issued and outstanding shares of Common Stock held by non-affiliates (in each case, assuming the exercise of all of our warrants)).

### *Rule 144*

Pursuant to Rule 144, a person who has beneficially owned restricted Common Stock or Warrants for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been an affiliate of Banzai at the time of, or at any time during the three months preceding, a sale and (ii) Banzai is subject to the Exchange Act periodic reporting requirements for at least three months before the sale and has filed all required reports under Section 13 or 15(d) of the Exchange Act during the 12 months (or such shorter period as Banzai was required to file reports) preceding the sale.

Persons who have beneficially owned restricted Common Stock or Banzai Warrants for at least six months but who are affiliates of Banzai at the time of, or at any time during the three months preceding, a sale would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- 1% of the total number of shares of Common Stock then outstanding; or
- the average weekly reported trading volume of Common Stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales by affiliates of Banzai under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about Banzai.

#### *Restrictions on the Use of Rule 144*

Rule 144 is not available for the resale of securities initially issued by shell companies (other than business combination related shell companies) or issuers that have been at any time previously a shell company. However, Rule 144 also includes an important exception to this prohibition if the following conditions are met:

- The issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result of the consummation of the Business Combination, we are no longer a shell company. Accordingly, once the conditions set forth in the exceptions listed above are satisfied, Rule 144 will become available for the resale of the above noted restricted securities.

#### *Rule 701*

Rule 701 under the Securities Act generally allows a stockholder who purchases shares of Banzai capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of Banzai during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of Banzai to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the applicable lock-up period expires.

## DESCRIPTION OF SECURITIES

The following summary of certain material provisions of the Company's securities does not purport to be complete and is subject to and qualified in its entirety by the provisions of the Charter, the Bylaws and applicable law. The applicable provisions of the Charter and the Bylaws that are filed with the registration statement of which this prospectus forms a part should be read carefully and in their entirety.

### **Authorized and Outstanding Stock**

The Charter authorizes the issuance of 350,000,000 shares, consisting of 250,000,000 shares of Class A Common Stock, 25,000,000 shares of Class B Common Stock, and 75,000,000 shares of Preferred Stock.

### **Common Stock**

#### ***Class A Common Stock***

***Voting rights.*** Each holder of Class A Common Stock is entitled to one vote for each share of Class A Common Stock held of record by such holder on all matters voted upon by our stockholders, provided, however, that, except as otherwise required in the Charter, as provided by law or by the resolution(s) or any certificate of designation providing for the issue of any Preferred Stock, the holders of Class A Common Stock are not entitled to vote on any amendment to our Charter that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our Charter (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

***Dividend rights.*** Subject to the rights of holders of Preferred Stock, holders of Class A Common Stock and Class B Common Stock are entitled to receive ratably, on a per share basis, dividends and other distributions in cash, stock or property of the Company as may be declared and paid from time to time by the Board out of any of our assets legally available therefor.

***Rights upon liquidation.*** Subject to applicable law and the rights of holders of Preferred Stock, holders of Class A Common Stock and Class B Common Stock shall be entitled to receive ratably the assets and funds of the Company available for distribution in the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, unless disparate or different treatment of the shares of each such class with respect to distributions upon any such liquidation, dissolution or winding up is approved in advance by holders of a majority of the outstanding shares of Class A Common Stock and the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

***Other rights.*** No holder of Class A Common Stock is entitled to preemptive or subscription rights contained in the Charter or in the Bylaws. There are no redemption or sinking fund provisions applicable to Class A Common Stock. The rights, preferences, and privileges of holders of Class A Common Stock are subject to those of the holders of any shares of the Preferred Stock that the Company may issue in the future.

#### ***Class B Common Stock***

***Issuance of Class B Common Stock.*** Shares of Class B Common Stock may be issued only to, and registered in the name of, Mr. Davy and any entities wholly-owned (directly or indirectly) by Mr. Davy, or any trust for the benefit of Mr. Davy, or of which Mr. Davy is a trustee or has sole or shared voting power such that Mr. Davy has Voting Control (as defined in the Charter) over the shares held therein; provided that, in each case, Mr. Davy has sole dispositive power and the exclusive right to direct the voting of all of the shares of Class B Common Stock held by such entity and the transfer does not involve any payment of cash, securities, property or other consideration (other than an interest in such entity) to Mr. Davy (collectively, "Permitted Class B Owners").

**Voting rights.** Each holder of Class B Common Stock is entitled to 10 votes for each share of Class B Common Stock held of record by such holder on all matters voted upon by our stockholders, provided, however, that, except as otherwise required in the Charter, as provided by law or by the resolution(s) or any certificate of designation providing for the issue of any Preferred Stock, the holders of Class B Common Stock are not entitled to vote on any amendment to our Charter that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our Charter (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

**Dividend rights.** Subject to the rights of holders of Preferred Stock, holders of Class A Common Stock and Class B Common Stock are entitled to receive ratably, on a per share basis, dividends and other distributions in cash, stock or property of the Company as may be declared and paid from time to time by the Board out of any of our assets legally available therefor.

**Rights upon liquidation.** Subject to applicable law and the rights of holders of Preferred Stock, holders of Class A Common Stock and Class B Common Stock shall be entitled to receive ratably the assets and funds of the Company available for distribution in the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, unless disparate or different treatment of the shares of each such class with respect to distributions upon any such liquidation, dissolution or winding up is approved in advance by holders of a majority of the outstanding shares of Class A Common Stock and the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

**Transfers.** Pursuant to the Charter, holders of shares of Class B Common Stock are generally restricted from transferring such shares, other than to a Permitted Class B Owner or in connection with a divorce or domestic relations order or decree.

**Conversion.** Each share of Class B Common Stock will be (1) automatically converted into an equal number of fully paid and nonassessable shares of Class A Common Stock upon any Transfer (as defined in the Charter) of such shares of Class B Common Stock, except for a Permitted Transfer (as defined in the Charter) and (2) subject to conversion into an equal number of fully paid and nonassessable shares of Class A Common Stock at the determination of the Board 90 days after the earliest date (the "Termination Anniversary Date") that any of the following conditions are satisfied: (i) Mr. Davy's employment as Chief Executive Officer being terminated for cause or due to death or permanent disability; (ii) Mr. Davy resigns (other than for good reason) as the Chief Executive Officer of the Company; or (iii) Mr. Davy no longer serves as a member of the Board. In the event that Mr. Davy is reinstated as the Chief Executive Officer of the Company or is reelected or reappointed to serve as a member of the Board prior to the Termination Anniversary Date (each, a "Reset Event"), then the shares of Class B Common Stock will not be converted pursuant to clause (2) unless and until the ninety-day anniversary of the date that any of the foregoing conditions are subsequently met; provided that in the event of a subsequent Reset Event, the next Termination Anniversary Date will extend until the ninety-day anniversary of the date that any of the foregoing conditions are subsequently met without a Reset Event occurring prior to such anniversary. In addition, upon delivery by Mr. Davy of written notice (a "Conversion Notice") to the Company at any time requesting the conversion of all or a portion of the shares of Class B Common Stock held by Mr. Davy, the Company shall, without further action on the part of the Company or any holder of shares of Class B Common Stock, be converted into an equal number of fully paid and nonassessable shares of Class A Common Stock (a "Voluntary Conversion"). The election by the Founder to effect a Voluntary Conversion shall be irrevocable.

**Other rights.** No holder of Class B Common Stock is entitled to preemptive or subscription rights contained in the Charter or in the Bylaws. There are no redemption or sinking fund provisions applicable to Class A Common Stock. The rights, preferences, and privileges of holders of the shares of Class B Common Stock are subject to those of the holders of any shares of the Preferred Stock that the Company may issue in the future.

## **Preferred Stock**

The Board has the authority to issue shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the designations, preferences, privileges, and restrictions of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series to the fullest extent permitted by the DGCL. The issuance of Preferred Stock could have the effect of decreasing the trading price of Class A Common Stock, restricting dividends on the capital stock of the Company, diluting the voting power of Class A Common Stock, impairing the liquidation rights of the capital stock of the Company, or delaying or preventing a change in control of the Company.

## **Warrants**

### ***Warrants and Pre-Funded Warrants***

See, “Prospectus Summary – Recent Developments - Alco and CP BF Registration”

### ***Notes***

See, “Prospectus Summary – Recent Developments - Alco and CP BF Registration”

### ***Public Stockholder Warrants***

Each whole Public Warrant entitles the registered holder to purchase one share of Class A Common Stock at a price of \$575.00 per share, subject to adjustment as discussed below, at any time commencing 30 days after the completion of the Business Combination (January 13, 2024) (subject to certain exceptions). Pursuant to the Warrant Agreement, a warrant holder may exercise its Public Warrants only for a whole number of shares of Class A Common Stock. The Public Warrants will expire five years after the Closing, at 5:00 p.m., New York City time.

### ***Redemption of Public Warrants When the price per Share of Class A Common Stock Equals or Exceeds \$900.00.***

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per Public Warrant;
- upon a minimum of 30 days’ prior written notice of redemption to each warrant holder; and
- if, and only if, the closing price per share of Class A Common Stock equals or exceeds \$900.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading “- Warrants-Public Stockholder Warrants-Anti-dilution Adjustments”) for any 20 trading days within a 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders.

The Company has established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Public Warrant exercise price. If the foregoing conditions are satisfied and the Company issues a notice of redemption of the Public Warrants, each warrant holder will be entitled to exercise his, her or its Public Warrant prior to the scheduled redemption date. However, the price per share of Class A Common Stock may fall below the \$900.00 redemption trigger price (as adjusted for certain adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading “-Warrants-Public Stockholder Warrants-Anti-dilution Adjustments”) as well as the \$575.00 (for whole shares) Public Warrant exercise price after the redemption notice is issued.

No fractional shares of Class A Common Stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, the Company will round down to the nearest whole number of the number of shares of Class A Common Stock to be issued to the holder.

### ***Redemption Procedures***

A holder of a Public Warrant may notify the Company in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Public Warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 4.9% or 9.8% (or such other amount as a holder may specify) of the shares of Class A Common Stock issued and outstanding immediately after giving effect to such exercise.

### *Anti-dilution Adjustments*

If the number of outstanding shares of Class A Common Stock is increased by a stock dividend payable in shares of Class A Common Stock, or by a split-up of shares of common stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of Class A Common Stock issuable on exercise of each Public Warrant will be increased in proportion to such increase in the outstanding shares of Class A Common Stock. A rights offering made to all or substantially all holders of Class A Common Stock entitling holders to purchase shares of Class A Common Stock at a price less than the “historical fair market value” (as defined below) will be deemed a stock dividend of a number of shares of Class A Common Stock equal to the product of (i) the number of shares of Class A Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for shares of Class A Common Stock) and (ii) one (1) minus the quotient of (x) the price per share of Class A Common Stock paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for shares of Class A Common Stock, in determining the price payable per share of Class A Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) “historical fair market value” means the volume weighted average price per share of Class A Common Stock as reported during the 10 trading day period ending on the trading day prior to the first date on which the shares of Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if the Company, at any time while the Public Warrants are outstanding and unexpired, pays a dividend or makes a distribution in cash, securities or other assets to the holders of Class A Common Stock on account of such shares (or other securities into which the warrants are convertible), other than (a) as described above or (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the shares during the 365-day period ending on the date of declaration of such dividend or distribution (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of shares issuable on exercise of each Public Warrant) does not exceed \$0.50, then the Public Warrant price shall be decreased, effective immediately, by the amount of cash and/or fair market value (as determined by the Board in good faith) of any securities or other assets paid on each share.

If the number of outstanding shares of Class A Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of Class A Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of Class A Common Stock issuable on exercise of each Public Warrant will be decreased in proportion to such decrease in outstanding shares of Class A Common Stock.

Whenever the number of shares of Class A Common Stock purchasable upon the exercise of the Public Warrants is adjusted, as described above, the Public Warrant exercise price will be adjusted by multiplying the Public Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of Class A Common Stock purchasable upon the exercise of the Public Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of shares of Class A Common Stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of Class A Common Stock (other than those described above or that solely affects the par value of such shares of Class A Common Stock), or in the case of any merger or consolidation of the Company with or into another entity (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of Class A Common Stock), or in the case of any sale or conveyance to another entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Public Warrants and in lieu of the shares of Class A Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of Class A Common Stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Public Warrants would have received if such holder had exercised their Public Warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such consolidation or merger, then the kind and amount of securities, cash or other assets for which each Public Warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such consolidation or merger that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding shares of Class A Common Stock, the holder of a Public Warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a stockholder if such warrant holder had exercised the Public Warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the shares of Class A Common Stock held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the Warrant Agreement. If less than 70% of the consideration receivable by the holders of shares of Class A Common Stock in such a transaction is payable in the form of shares of Class A Common Stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Public Warrant properly exercises the Public Warrant within thirty days following public disclosure of such transaction, the Public Warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes warrant value (as defined in the Warrant Agreement) of the Public Warrant. The purpose of such exercise price reduction is to provide additional value to holders of the Public Warrants when an extraordinary transaction occurs during the exercise period of the Public Warrants pursuant to which the holders of the Public Warrants otherwise do not receive the full potential value of the Public Warrants.

The Public Warrants were issued in registered form under the Warrant Agreement. The warrant holders do not have the rights or privileges of holders of Class A Common Stock and any voting rights until they exercise their Public Warrants and receive shares of Class A Common Stock. After the issuance of the shares of Class A Common Stock upon exercise of the Public Warrants, each holder will be entitled to one vote for each share of Class A Common Stock held of record on all matters to be voted on by holders of Class A Common Stock.

#### ***GEM Warrant***

The GEM Warrant entitles GEM to purchase up to 16,571 shares of Class A Common Stock at an exercise price of \$324.50 per share. The exercise price will be adjusted to 105% of the then-current exercise price if on December 15, 2024, the GEM Warrant has not been exercised in full, and the average closing price per share of Class A Common Stock for the 10 trading days preceding December 15, 2024 is less than 90% of the then-current exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 15, 2026.



The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of shares of Class A Common Stock for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of Class A Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of Class A Common Stock, or securities convertible into or exercisable or exchangeable for, shares of Class A Common Stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such Class A Common Stock or other securities. The issuance of shares of Class A Common Stock in this offering may cause such an adjustment in the exercise price of the GEM Warrant.

If the per share market value of one share of Class A Common Stock is greater than the then-current exercise price, then GEM will have the option to exercise the GEM Warrant on a cashless basis and receive a number of shares of Class A Common Stock equal to (x) the number of shares of Class A Common Stock purchasable upon exercise of all of the GEM Warrant or, if only a portion of the GEM Warrant is being exercised, the portion of the GEM Warrant being exercised, less (y) the product of the then-current exercise price and the number of shares of Class A Common Stock purchasable upon exercise of all of the GEM Warrant or, if only a portion of the GEM Warrant is being exercised, the portion of the GEM Warrant being exercised, divided by the per share market value of one share of Class A Common Stock.

The GEM Warrant is subject to a restriction on exercise of the GEM Warrant such that the GEM Warrant may not be exercised if such exercise would result in the beneficial ownership of the holder and its affiliates in excess of 9.99% of the then-issued and outstanding shares of Class A Common Stock.

## **Debt**

### ***Senior Convertible Notes***

On February 19, 2021, Legacy Banzai issued the First Senior Convertible Note in an aggregate principal amount of \$1.5 million to CP BF in connection with the Loan Agreement. On October 10, 2022, the Loan Agreement was amended, whereby CP BF waived payment by Banzai of four months of cash interest with respect to the term loan under the Loan Agreement in replacement for the Second Senior Convertible Note in an aggregate principal amount of \$321,345. On August 24, 2023, Legacy Banzai and CP BF entered into the Forbearance Agreement, in connection with which they agreed to amend and restate the Senior Convertible Notes so that they would not convert at the Closing of the Business Combination as a “Change of Control.”

After the Closing, the Senior Convertible Notes became convertible, at CP BF’s option on 5 days’ written notice to the Company, into shares of Class A Common Stock. The Senior Convertible Notes provide that, at all times after a SPAC Transaction (as defined in the Senior Convertible Notes), the conversion price for any such conversion is \$4.3485 per share.

The terms of the Senior Convertible Notes provide that the conversion price of the Senior Convertible Notes is subject to adjustment to account for increases or decreases in the number of outstanding shares of the Company’s capital stock resulting from stock splits, reverse stock splits, consolidations, combinations, reclassifications, and dividends on capital stock payable in capital stock. In the event the Company issues dividends on capital stock payable in cash, the Senior Convertible Notes entitle the holder to receive upon conversion, a dividend or other distribution in an amount equal to the amount the holder would have received if all outstanding principal and accrued but unpaid interest had been converted into Class A Common Stock on the date of such event, in accordance with the terms of the Senior Convertible Notes.

The Senior Convertible Notes accrue paid-in-kind interest on the unpaid principal balance at a rate equal to 15.5% per annum, compounding monthly, subject to an increase to 20.0% upon an event of default as described in the Senior Convertible Notes, and have a maturity date of February 19, 2025.

The Senior Convertible Notes are subject to a restriction on conversion such that the principal of the Senior Convertible Notes may not be converted if such conversion would result in the beneficial ownership of CP BF and its affiliates in excess of 19.99% of shares of Common Stock outstanding immediately after giving effect to the conversion (provided that such beneficial ownership limitation shall be 9.99% with respect to any holder other than CP BF and such holder's affiliates).

#### ***GEM Promissory Note***

The GEM Promissory Note has an aggregate amount of \$1.0 million, with principal on the GEM Promissory Note, together with all accrued but unpaid interest on such principal amount, to be paid to GEM, in cash, in monthly payments of \$100,000 on the first day of each month, beginning on March 1, 2024 with the final payment to be made on December 1, 2024. At any time and from time to time, the Company may prepay in whole or in part, without premium or penalty, the outstanding principal amount of the GEM Promissory Note, together with all accrued but unpaid interest on such principal amount up to the date of prepayment.

The GEM Promissory Note provides that, in the event that the Company fails to make a monthly payment when due, then on or before the fifth trading day after the payment due date, such monthly payment amount shall convert into the right of GEM to receive, and obligation of the Company to issue, an amount of shares of Class A Common Stock equal to the monthly payment amount divided by the VWAP for the trading day immediately preceding the payment due date.

#### ***Yorkville Promissory Notes***

On December 14, 2023, 7GC, Legacy Banzai and Yorkville entered into the Original SEPA and, on February 5, 2024, the Company and Yorkville entered into the Supplemental SEPA Agreement, pursuant to which, subject to certain conditions, the Company has the option, but not the obligation, to sell to Yorkville, and Yorkville must subscribe for, an aggregate amount of up to \$100 million of Class A Common Stock, at the Company's request any time during the commitment period (all as further described below under "*Yorkville SEPA*").

Pursuant to the SEPA, Yorkville advanced to the Company the Pre-Paid Advance in a principal amount equal to \$4.5 million, which amount is evidenced by promissory notes convertible into shares of Class A Common Stock. The first Pre-Paid Advance in a principal amount of \$2.0 million (less a 10% discount) was advanced at the Closing and was evidenced by issuance by the Company on December 14, 2023 to Yorkville of the First Yorkville Promissory Note having a principal amount of \$2.0 million, the Second Tranche of \$1.0 million (less a 10% discount) was advanced on February 5, 2024 and is evidenced by the issuance by the Company on February 5, 2024 of the Second Yorkville Promissory Note having a principal amount of \$1.0 million and the Third Tranche of \$1.5 million (less a 10% discount) was advanced on March 26, 2024 and is evidenced by the issuance by the Company on March 26, 2024 to Yorkville of the Third Promissory Note having a principal amount of \$1.5 million.

The Yorkville Promissory Notes shall be convertible by Yorkville into shares of Class A Common Stock at an aggregate purchase price based on a price per share equal to the lower of (a) the Fixed Price of \$103.83 per share or (b) the Variable Price of 90% of the lowest daily VWAP of the shares of Class A Common Stock on The Nasdaq Global Market during the ten trading days immediately prior to each conversion, but which Variable Price shall not be lower than the Floor Price then in effect. The "Floor Price" is \$5.00 per share (subject to adjustment from time to time). Additionally, the Company, at its option, shall have the right, but not the obligation, to redeem early a portion or all amounts outstanding under the Promissory Notes at a redemption amount equal to the outstanding principal balance being repaid or redeemed, plus a 10% prepayment premium, plus all accrued and unpaid interest; provided that (i) the Company provides Yorkville with no less than five (5) trading days' prior written notice thereof and (ii) on the date such notice is issued, the VWAP of the shares of Class A Common Stock is less than \$103.83 (subject to adjustment from time to time, the "Fixed Price").

The Yorkville Promissory Notes accrue interest on the outstanding principal balances at an annual rate equal to 0%, subject to an increase to 18% upon an event of default as described in the Yorkville Promissory Notes.

The Yorkville Promissory Notes each mature on June 14, 2024, which maturity is expected to be extended to the date that is 120 days after the repayment of a portion of the Yorkville Promissory Notes described under the heading “Summary-Recent Developments” in this prospectus is completed and which maturity may be extended at the option of the holder.

Within seven trading days of an Amortization Event (as defined in the Yorkville Promissory Notes), the Company will be obligated to make monthly cash payments in an amount equal to the sum of (i) \$1.0 million of principal of the Yorkville Promissory Notes (or the outstanding principal if less than such amount) (the “Amortization Principal Amount”), plus (ii) a payment premium of 10% in respect of such Amortization Principal Amount, plus (iii) accrued and unpaid interest thereunder. The obligation of the Company to make monthly prepayments shall cease (with respect to any payment that has not yet come due) if at any time after an Amortization Event (a) the Company reduces the Floor Price to an amount no more than 75% of the closing price of the shares of Class A Common Stock on the trading day immediately prior to such reset notice (and no greater than the initial Floor Price), or (b) the daily VWAP is greater than the Floor Price for a period of ten consecutive trading days, unless a subsequent Amortization Event occurs.

#### **Yorkville SEPAs**

On December 14, 2023, the Company entered into the SEPA with Yorkville, pursuant to which Yorkville has committed to purchase up to \$100 million of Class A Common Stock, subject to certain limitations and conditions set forth in the SEPA, including certain beneficial ownership limitations, at our request any time pursuant to Advance Notices delivered by the Company any time during the commitment period terminating on the 36-month anniversary of the Original SEPA; provided that any Advance Notice may only be made if (x) no amount remains outstanding on the Yorkville Promissory Notes, (y) there is an effective Resale Registration Statement filed with the SEC for the resale under the Securities Act of the shares of Class A Common Stock to be issued pursuant to such Advance Notice, and (z) the Company complies with other customary conditions precedent.

At any time during the Commitment Period and provided that a balance under a Yorkville Promissory Note is outstanding, Yorkville may, by providing an Investor Notice to the Company, require the Company to issue and sell shares to Yorkville as set out in the relevant Investor Notice, subject to certain limitations as set forth in the SEPA. The purchase price of the shares delivered pursuant to an Investor Notice shall be equal to the Conversion Price and shall be paid by offsetting the amount of the aggregate purchase price to be paid by Yorkville against an equal amount outstanding under the Promissory Note.

Otherwise, Class A Common Stock to be issued to Yorkville from time to time under the SEPA will be issued at one of two pricing options, at the election of the Company. Under Pricing Option 1, the Company will sell Class A Common Stock at 95% of the VWAP of Class A Common Stock during the period commencing (i) if submitted to Yorkville prior to 9:00 a.m. Eastern Time on a trading day, the open of trading on such day or (ii) if submitted to Yorkville after 9:00 a.m. on a trading day, upon receipt by the Company of written confirmation of acceptance of such Advance Notice by Yorkville (or the open of regular trading hours, if later), and which confirmation shall specify such commencement time, and, in either case, ending on 4:00 p.m. New York City time on the applicable date of the Advance Notice. Under Pricing Option 2, the Company will sell Class A Common Stock at 96% of the lowest daily VWAP of Class A Common Stock during the period commencing (i) if submitted to Yorkville prior to 9:00 a.m. Eastern Time, the three consecutive trading days commencing on the date of the Advance Notice or (ii) if submitted to Yorkville after 9:00 a.m. Eastern Time, the three consecutive trading days commencing on the trading day immediately following the date of the Advance Notice.

The Company’s ability to deliver Advance Notices to Yorkville is subject to the satisfaction or waiver of certain conditions.

The SEPA does not require Yorkville to subscribe for or acquire any shares of Class A Common Stock under the SEPA if those shares of Class A Common Stock, when aggregated with all other shares of Class A Common Stock acquired by Yorkville under the SEPA, would result in Yorkville beneficially owning more than 9.99% of the then outstanding shares of Class A Common Stock.

On May 22, 2024, the Company entered into an Amended and Restated Debt Repayment Agreement (the “**Amended Debt Repayment Agreement**”) with Yorkville with respect to the unsecured promissory note in the principal amount of \$2,000,000 issued to Yorkville on December 14, 2023 (the “**December Promissory Note**”) and the unsecured promissory note in the principal amount of \$1,500,000 issued to Yorkville on March 26, 2024 (the “**March Promissory Note**,” together with the December Promissory Note, the “**Promissory Notes**”). The Amended Debt Repayment Agreement amends and restates the Debt Repayment Agreement, dated as of May 3, 2024, by and between the Company and Yorkville. The Company issued the Promissory Notes pursuant to a Standby Equity Purchase Agreement, dated as of December 14, 2023, by and among Yorkville and the Company, as amended from time to time (the “**SEPA**”). As of the date hereof, there is no outstanding balance under the Promissory Notes.

Under the Amended Debt Repayment Agreement, Yorkville agreed that, after the Company completed the Best Efforts Offering and repaid an aggregate of \$750,000 outstanding under the Promissory Notes from the proceeds of such offering (the “**Repayment Amount**”), Yorkville will not to deliver to the Company any Investor Notice (as defined in the SEPA) and will not exercise its right to convert the remainder of the amount outstanding under the Promissory Notes for a period commencing on May 28, 2024 and ending on August 26, 2024; provided that the Company will seek any consents necessary to allow Yorkville to issue Investor Notices or exercise its right to convert the remainder of the amount outstanding under the Promissory Notes after a period of 60 days following the closing of the Best Efforts Offering. Under the Amended Debt Repayment Agreement, the Company and Yorkville also agreed to extend the maturity date of the Promissory Notes to September 25, 2024, and to satisfy the \$75,000 payment premium due in connection with an early redemption through the issuance of an Advance Notice (as defined in the SEPA) for shares of the Class A Common Stock.

#### ***Termination of the SEPA***

Unless earlier terminated as provided in the SEPA, the SEPA will terminate automatically on the earlier to occur of:

- the first day of the month next following the 36-month anniversary of the date of the SEPA, provided that if a Yorkville Promissory Note is then outstanding, such termination shall be delayed until such date that the Yorkville Promissory Note that was outstanding has been repaid (and/or converted); and
- the date on which Yorkville shall have made payment of Advances pursuant to the SEPA for shares of Class A Common Stock equal to the commitment amount of \$100.0 million.

Subject to certain conditions, we have the right to unilaterally terminate the SEPA upon five trading days’ prior written notice to Yorkville. The SEPA may also be terminated at any time by mutual written consent.

#### ***Effect of Issuances of Class A Common Stock Under the SEPA on our Stockholders***

All shares of Class A Common Stock that may be issued by us to Yorkville under the SEPA that were registered under the Securities Act for resale by Yorkville on the Prior SEPA Registration Statement are expected to be freely tradable. The shares of Class A Common Stock registered for resale under the SEPA may be issued by us to Yorkville from time to time at our discretion during the commitment period or are issued following a conversion of a Yorkville Promissory Note. The resale by Yorkville of a significant amount of shares registered for resale at any given time, or the perception that these sales may occur, could cause the market price of our Class A Common Stock to decline. Issuances of shares of Class A Common Stock, if any, to Yorkville under the SEPA will depend upon market conditions and other factors. We may ultimately decide to issue to Yorkville all, some or none of the shares of Class A Common Stock that may be available for issuance to Yorkville pursuant to the SEPA.

Because the subscription price per shares of Class A Common Stock to be paid by Yorkville for Class A Common Stock will fluctuate based on the market prices of our Class A Common Stock during the applicable pricing period, as of the date of this prospectus we cannot reliably predict the number of shares of Class A Common Stock that we will issue to Yorkville under the SEPA, the actual subscription price per share of Class A Common Stock to be paid by Yorkville for those shares of Class A Common Stock, or the actual gross proceeds to be raised by us from those issuances, if any.

The issuance, if any, of shares of Class A Common Stock to Yorkville pursuant to the SEPA would not affect the rights or privileges of our existing stockholders, except that the economic and voting interests of each of our existing stockholders would be diluted. Although the number of shares of Class A Common Stock that our existing stockholders own would not decrease as a result of issuances, if any, under the SEPA, the shares of Class A Common Stock owned by our existing stockholders would represent a smaller percentage of our total issued shares of Class A Common Stock after any such issuance.

#### ***Amendment of Charter or Bylaws***

The DGCL generally provides that the affirmative vote of a majority of the outstanding shares entitled to vote on amendments to a corporation’s certificate of incorporation or bylaws is required to approve such amendment, unless a corporation’s certificate of incorporation or bylaws, as applicable, imposes a higher voting standard.

The affirmative vote of the holders of a majority in voting power of the shares of the Company entitled to vote thereon is required to amend, alter, change, or repeal any provision of the Charter or to adopt any new provision of the Charter; provided, however, that the affirmative vote of the holders of at least 66 2/3% in voting power of the stock of the Company entitled to vote thereon is required to amend, alter, change, or repeal, or adopt any provision inconsistent with, any of Article V, Article VI, Article VII, Article VIII of the Charter. The affirmative vote of a majority of the authorized number of directors of the Board and the affirmative vote of at least 66 2/3% of the voting power of all of the then-outstanding shares of Common Stock entitled to vote generally in the election of directors, voting together as a single class, is required to adopt, amend or repeal the Bylaws.

Additionally, so long as shares of Class B Common Stock remain outstanding, the Charter requires the approval of Mr. Davy, as Founder, to amend, repeal, waive, or alter any provision in Section A of Article IV (or adopt any provision inconsistent therewith) of the Charter that would adversely affect the rights of holders of shares of Class B Common Stock.

#### **Anti-Takeover Effects of Delaware Law and the Charter**

Among other things, the Charter and Bylaws:

- permit the Board to issue up to 75,000,000 shares of Preferred Stock, with any rights, preferences, and privileges as they may designate, including the right to approve an acquisition or other change of control;
- provide that the authorized number of directors may be changed only by resolution of the Board;
- provide that the Board is classified into three classes of directors;
- provide that, subject to the rights of any series of Preferred Stock to elect directors, directors may only be removed for cause, which removal may be effected, subject to any limitation imposed by law, by the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the Company's capital stock entitled to vote generally at an election of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by the Company's stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder's notice;
- provide that special meetings of the Company's stockholders may be called only by the chairperson of the Board, the Company's Chief Executive Officer or by the Board pursuant to a resolution adopted by a majority of the total number of authorized directors; and
- do not provide for cumulative voting rights, therefore allowing the holders of a majority of the voting power of the stock of the Company entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose.

The amendment of any of these provisions would require approval by the holders of at least 66 2/3% of the voting power of all of the Company's then-outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class.

The combination of these provisions makes it more difficult for the Company's existing stockholders to replace the Board as well as for another party to obtain control of us by replacing the Board. Since the Board has the power to retain and discharge the Company's officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for the Board to issue Preferred Stock with voting or other rights or preferences that could impede the success of any attempt to change the Company's control.

These provisions are intended to enhance the likelihood of continued stability in the composition of the Board and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce the Company's vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for the Company's shares and may have the effect of delaying changes in the Company's control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of the Company's stock.

### **Certain Anti-Takeover Provisions of Delaware Law**

#### *Special Meetings of Stockholders*

The Charter and the Bylaws provide that special meetings of our stockholders may be called only by the Chairman of the Board, the Chief Executive Officer of the Company, or the Board pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

#### *Advance Notice Requirements for Stockholder Proposals and Director Nominations*

The Bylaws provide that stockholders seeking to nominate candidates for election to the Board or to bring business before our annual meeting of stockholders, must provide timely notice of their intent in writing. To be timely under our the Bylaws, a stockholder's notice needs to be received by the Secretary of the Company at our principal executive offices not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting provided, however, that in the event that no annual meeting was held during the preceding year or the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the date of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and no later than the close of business on the later of the 90th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Company. The Bylaws also specify certain requirements as to the form and content of a stockholders' meeting. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders.

#### *Authorized but Unissued Shares*

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of shares of Class B Common Stock, such number of shares of Class A Common Stock as will from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

#### *Exclusive Forum Selection*

The Charter provides that unless we consent in writing to the selection of an alternative forum to the fullest extent permitted by the applicable law, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (a) any derivative claim or cause of action brought on behalf of the Company; (b) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the Company, to the Company or its stockholders; (c) any claim or cause of action against the Company or any current or former director, officer or other employee of the Company, arising out of or pursuant to any provision of the DGCL, the Charter or the Bylaws; (d) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Charter or the Bylaws; (e) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (f) any claim or cause of action against the Company or any current or former director, officer or other employee of the Company, governed by the internal-affairs doctrine or otherwise related to the Company's internal affairs, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. The Charter also requires that unless the Company consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act. The above shall not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Although the Company believes these provisions benefit us by providing increased consistency in the application of the DGCL in the types of lawsuits to which it applies, a court may determine that these provisions are unenforceable, and to the extent they are enforceable, the provisions may have the effect of discouraging lawsuits against our directors and officers, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

We have not opted out of the provisions of Section 203 of the DGCL regulating corporate takeovers under the Charter. This statute prevents certain Delaware corporations, under certain circumstances, from engaging in a “business combination” with:

- a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an “interested stockholder”);
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

A “business combination” includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 do not apply if:

- our Board approves the transaction that made the stockholder an “interested stockholder,” prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of common stock; or
- on or subsequent to the date of the transaction, the initial business combination is approved by our Board and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Under certain circumstances, this provision makes it more difficult for a person who would be an “interested stockholder” to effect various business combinations with the Company for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with our Board because the stockholder approval requirement would be avoided if our Board approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

## **Washington Business Corporation Act**

The laws of the State of Washington, where the Company's principal executive offices are located, impose restrictions on certain transactions between certain foreign corporations and significant stockholders. In particular, the WBCA prohibits a "target corporation," subject to certain exceptions, from engaging in certain "significant business transactions" with a "person" or group of persons which beneficially own 10% or more of the voting securities of the target corporation, or an "acquiring person," for a period of five years after such acquisition, unless (1) the transaction or acquisition of shares is approved by a majority of the members of the target corporation's board of directors prior to the time of acquisition or (2) the transaction or acquisition was approved by a majority of the members of the target corporation's board of directors and approved at a securityholder meeting by at least two-thirds of the outstanding voting shares of the target corporation (excluding the acquiring person's shares or shares over which the acquiring person has voting control) at or subsequent to the acquiring person's share acquisition, subject to certain exceptions. Such prohibited transactions may include, among other things:

- any merger or consolidation with, disposition of assets to, or issuance or redemption of stock to or from, the acquiring person;
- any termination of 5% or more of the employees of the target corporation or its subsidiaries employed in Washington as a result of the acquiring person's acquisition of 10% or more of the shares; and
- allowing the acquiring person to receive any disproportionate benefit as a stockholder.

In some circumstances, such a business transaction may need to comply with "fair price" provisions specified in the statute. After the five-year period, a significant business transaction may take place as long as it complies with certain fair price provisions of the WBCA or is approved at an annual or special meeting of stockholders.

The Company will be considered a "target corporation" so long as its principal executive office is located in Washington, and: (i) a majority of its employees are residents of the state of Washington or it employs more than one thousand residents of the state of Washington; (ii) a majority of the Company's tangible assets, measured by market value, are located in the state of Washington or it has more than \$50.0 million worth of tangible assets located in the state of Washington; and (iii) any one of the following: (a) more than 10% of the Company's stockholders of record are resident in the state of Washington; (b) more than 10% of the Company's shares are owned of record by state residents; or (c) 1,000 or more of the Company's stockholders of record are resident in the state of Washington.

If the Company meets the definition of a target corporation, the WBCA may have the effect of delaying, deferring, or preventing a future change of control.

## **Limitations on Liability and Indemnification of Officers and Directors**

The Charter eliminates the Company's directors' liability for monetary damages to the fullest extent permitted by applicable law. The DGCL provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for any unlawful payment of dividends or redemption of shares; or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.



If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of the Company's directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

The Charter requires the Company to indemnify and advance expenses, to the fullest extent permitted by applicable law, to its directors, officers, and agents. The Company maintains a directors' and officers' insurance policy pursuant to which the Company's directors and officers are insured against liability for actions taken in their capacities as directors and officers. Finally, the Charter prohibits any retroactive changes to the rights or protections or increase the liability of any director in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

In addition, the Company has entered into separate indemnification agreements with the Company's directors and officers. These agreements, among other things, require the Company to indemnify its directors and officers for certain expenses, including attorneys' fees, judgments, fines, and settlement amounts incurred by a director or officer in any action or proceeding arising out of their services as one of the Company's directors or officers or any other company or enterprise to which the person provides services at the Company's request.

We believe these provisions in the Charter are necessary to attract and retain qualified persons as directors and officers.

#### **Dissenters' Rights of Appraisal and Payment**

Under the DGCL, with certain exceptions, the Company's stockholders will have appraisal rights in connection with a merger or consolidation of the Company. Pursuant to the DGCL, stockholders who properly demand and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

#### **Stockholders' Derivative Actions**

Under the DGCL, any of the Company's stockholders may bring an action in the Company's name to procure a judgment in the Company's favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of the Company's shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

#### **Transfer Agent and Warrant Agent**

Continental Stock Transfer & Trust Company is the transfer agent for Common Stock and the warrant agent for Warrants.

#### **Listing of Common Stock and Public Warrants**

The Company's Class A Common Stock is listed on The Nasdaq Global Market under the symbol "BNZI," and the Company's Public Warrants are listed on The Nasdaq Global Market under the symbol "BNZIW."

## MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of the material U.S. federal income tax consequences of (i) the purchase, ownership and disposition of shares of our Class A Common Stock, (ii) the purchase, ownership and disposition of our Pre-Funded Warrants, and (iii) the purchase, ownership and disposition of our Common Warrants, which we refer to collectively as our securities. However, the following is for general information purposes only and does not purport to be a complete analysis of all potential tax effects related to our securities. This discussion does not address any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction, or under any U.S. federal laws other than those pertaining to income taxation.

This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the “Code”), the regulations promulgated under the Code and court and administrative rulings and decisions, all as in effect on the date of this prospectus. These authorities may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion. No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the “IRS”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences related to the purchase, ownership or disposition of our securities. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, or contrary to, the positions taken in this summary.

This discussion addresses only those beneficial owners of our securities that hold their securities as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address any tax considerations for holders of the GEM Warrants or Public Warrants, recipients of restricted shares of Class A Common Stock or the tax considerations for any beneficial owners of founder shares. In addition, this summary does not discuss other U.S. federal tax consequences (e.g., estate or gift tax), any state, local, or non-U.S. tax considerations or any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your individual circumstances or that may be applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a bank or other financial institution;
- a tax-exempt organization;
- a real estate investment trust;
- an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);
- an insurance company;
- a regulated investment company or a mutual fund;
- pension plans;
- a “controlled foreign corporation” or a “passive foreign investment company;”
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder that is liable for the alternative minimum tax;
- a holder that received shares, through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
- a U.S. Holder that has a functional currency other than the U.S. dollar;
- a holder that holds shares as part of a hedge, straddle, constructive sale, conversion or other integrated transaction;

- a person required to accelerate the recognition of any item of gross income with respect to its shares as a result of such income being recognized on an applicable financial statement; or
- a U.S. expatriate.

For purposes of this discussion, the term “U.S. Holder” means a beneficial owner of our securities that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source. A “Non-U.S. Holder” means a beneficial owner of our securities (other than a partnership or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds our securities, the U.S. federal income tax consequences of the purchase, ownership and disposition of our securities to a partner in such partnership (or owner of such entity) generally will depend on the status of the partner and the activities of the partnership (or entity). Any entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds our securities, and any partners in such partnership, are urged to consult their own tax advisors with respect to the applicable tax consequences in light of their specific circumstances.

The tax consequences of the purchase, ownership and disposition of our securities will depend on your specific situation. You should consult with your own tax advisor as to the tax consequences of the purchase, ownership and disposition of our securities in your particular circumstances, including the applicability and effect of any applicable alternative minimum tax and any state, local, foreign, or other tax laws and of changes in those laws.

THIS DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF PURCHASING, OWNING AND DISPOSING OF OUR SECURITIES, AS WELL AS THE APPLICATION OF ANY, STATE, LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS. IN ADDITION, PROSPECTIVE HOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO POTENTIAL CHANGES IN UNITED STATES FEDERAL TAX LAW AS WELL AS POTENTIAL CHANGES IN STATE, LOCAL OR NON-U.S. TAX LAWS.

## ***Tax Consequences for U.S. Holders***

### *Taxation of Distributions*

If Banzai pays distributions to U.S. Holders of shares of Class A Common Stock, Pre-Funded Warrants or Common Warrants (subject to the remainder of the discussion under this section, “Tax Consequences for U.S. Holders-Taxation of Distributions”), such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from Banzai’s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder’s adjusted tax basis in such holder’s shares of Class A Common Stock, Pre-Funded Warrants or Common Warrants (subject to the remainder of the discussion under this section, “Tax Consequences for U.S. Holders-Taxation of Distributions”). Any remaining excess will be treated as gain realized on the sale or other disposition of Class A Common Stock, Pre-Funded Warrants or Common Warrants (subject to the remainder of the discussion under this section, “Tax Consequences for U.S. Holders-Taxation of Distributions”) and will be treated as described under the section of this prospectus titled “Tax Consequences for U.S. Holders-Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Class A Common Stock or Pre-Funded Warrants” or “Tax Consequences for U.S. Holders-Sale, Exchange, Redemption or Expiration of a Common Warrant,” as the case may be, below.

Dividends that Banzai pays to a U.S. Holder that is a taxable corporation generally will qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions (including dividends treated as investment income for purposes of investment interest deduction limitations), and provided certain holding period requirements are met, dividends that Banzai pays to a non-corporate U.S. Holder will generally constitute “qualified dividends” that will be subject to tax at the maximum tax rate accorded to long-term capital gains.

The taxation of a distribution (if any) received with respect to a Common Warrant is unclear. Although the matter is not free from doubt, we intend to treat any distribution (excluding constructive distribution as discussed under the heading “Tax Consequences for U.S. Holders-Possible Constructive Distributions”) to a holder of Common Warrants as a distribution with respect to our stock for U.S. federal income tax purposes, in which case, such a distribution would be treated as a distribution subject to the immediately preceding paragraphs. However, the matter is not entirely free from doubt, and U.S. Holders should consult their own tax advisors regarding the U.S. federal income consequences of distributions received with respect to Common Warrants.

*Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Class A Common Stock or Pre-Funded Warrants*

A U.S. Holder will recognize gain or loss on the sale, taxable exchange or other taxable disposition of Class A Common Stock or Pre-Funded Warrants. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for Class A Common Stock or Pre-Funded Warrants so disposed of exceeds one year. Long-term capital gains recognized by non-corporate U.S. Holders generally will be eligible for taxation at reduced rates. The amount of capital gain or loss recognized will generally be equal to the difference between (1) the sum of the amount of cash and the fair market value of any property received in such disposition and (2) the U.S. Holder's adjusted tax basis in its Class A Common Stock or Pre-Funded Warrants so disposed of. A U.S. Holder's adjusted tax basis in its Class A Common Stock or Pre-Funded Warrants will generally equal the U.S. Holder's acquisition cost less any prior distributions treated as a return of capital. The deductibility of capital losses is subject to limitations.

*Exercise of a Common Warrant*

Except as discussed below with respect to the cashless exercise of a Common Warrant, a U.S. Holder will not recognize gain or loss upon the exercise of a Common Warrant. The U.S. Holder's tax basis in the shares of our Class A Common Stock received upon exercise of the Common Warrant will generally be an amount equal to the sum of the U.S. Holder's initial investment in the Common Warrant and the exercise price of such Common Warrant. A U.S. Holder's holding period for Class A Common Stock received upon exercise of the Common Warrants will commence on the date of exercise of the Common Warrants and will not include the period during which the U.S. Holder held the Common Warrants.

The tax consequences of a cashless exercise of a Common Warrant are not clear under current tax law. A cashless exercise may be nontaxable, either because the exercise is not a realization event or because the exercise is treated as a "recapitalization" for U.S. federal income tax purposes. In either situation, a U.S. Holder's tax basis in Class A Common Stock received would generally equal the holder's tax basis in the Common Warrant exercised therefor. If the cashless exercise were treated as not being a realization event, a U.S. Holder's holding period for Class A Common Stock would generally commence on the date of exercise of the Common Warrant or the day following the date of exercise of the Common Warrant. If, however, the cashless exercise were treated as a recapitalization, the holding period of Class A Common Stock would include the holding period of the Common Warrant.

It is also possible that a cashless exercise could be treated as a taxable exchange in which gain or loss is recognized. In such event, a U.S. Holder would be deemed to have surrendered a number of Common Warrants having a fair market value equal to the exercise price paid for the total number of Common Warrants to be exercised. The U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of Class A Common Stock represented by the Common Warrants deemed surrendered and the U.S. Holder's tax basis in the Common Warrants deemed surrendered. In this case, a U.S. Holder's tax basis in Class A Common Stock received would equal the sum of the U.S. Holder's initial investment in the Common Warrants exercised and the exercise price of such Common Warrants. A U.S. Holder's holding period for Class A Common Stock received upon exercise of the Common Warrants will commence on the date of exercise of the Common Warrants and will not include the period during which the U.S. Holder held the Common Warrants.

Alternative characterizations are also possible. Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the tax consequences of a cashless exercise.

### *Sale, Exchange, Redemption or Expiration of a Common Warrant*

Upon a sale, exchange (other than by exercise), redemption, or expiration of a Common Warrant, a U.S. Holder will recognize taxable gain or loss in an amount equal to the difference between (1) the amount realized upon such disposition or expiration and (2) the U.S. Holder's tax basis in the Common Warrant. Such gain or loss will generally be treated as long-term capital gain or loss if the Common Warrant is held by the U.S. Holder for more than one year at the time of such disposition or expiration. Long-term capital gains recognized by non-corporate U.S. Holders generally will be eligible for taxation at reduced rates. If a Common Warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to such holder's tax basis in the Common Warrant. The deductibility of capital losses is subject to certain limitations.

### *Possible Constructive Distributions*

The terms of each Common Warrant provide for an adjustment to the number of shares of Class A Common Stock for which the Common Warrant may be exercised or to the exercise price of the Common Warrant in certain events, as discussed in the section of this prospectus entitled "*Description of Securities-Common Warrants to be issued in this offering.*" An adjustment which has the effect of preventing dilution in the event of a stock dividend is generally not a taxable event. Nevertheless, a U.S. Holder of Common Warrants would be treated as receiving a constructive distribution from us if, for example, the adjustment increases the holder's proportionate interest in our assets or earnings and profits (e.g., through an increase in the number of shares of Class A Common Stock that would be obtained upon exercise or through a decrease to the exercise price) as a result of a distribution of cash to the holders of shares of our Class Common Stock which is taxable to such holders as a distribution as described under the section of this prospectus entitled "Tax Consequences for U.S. Holders-Taxation of Distributions" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if such U.S. Holder received a cash distribution from us equal to the fair market value of such increased interest.

### ***Tax Consequences for Non-U.S. Holders***

#### *Taxation of Distributions*

Subject to the discussions below regarding the Foreign Account Tax Compliance Act and backup withholding, in general, any distributions that Banzai makes to a Non-U.S. Holder of shares of Class A Common Stock, Pre-Funded Warrants or Common Warrants (subject to the remainder of the discussion under this section "Tax Consequences for Non-U.S. Holders-Taxation of Distributions"), to the extent paid out of Banzai's current or accumulated earnings and profits (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and, provided such dividends are not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (or, if a tax treaty applies, are attributable to a U.S. permanent establishment or fixed base maintained by the Non-U.S. Holder), Banzai will be required to withhold tax from the gross amount of the dividend at a rate of 30%, unless such Non-U.S. Holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable). Any distribution not constituting a dividend paid to Non-U.S. Holders of Class A Common Stock, Pre-Funded Warrants or Common Warrants will be treated first as reducing (but not below zero) the Non-U.S. Holder's adjusted tax basis in its shares of Class A Common Stock, Pre-Funded Warrants or Common Warrants (subject to the remainder of the discussion under this section "Tax Consequences for Non-U.S. Holders-Taxation of Distributions") and, to the extent such distribution exceeds the Non-U.S. Holder's adjusted tax basis, as gain realized from the sale or other disposition of Class A Common Stock, Pre-Funded Warrants or Common Warrants (subject to the remainder of the discussion under this section "Tax Consequences for Non-U.S. Holders-Taxation of Distributions"), which will be treated as described under the section of this prospectus titled "Tax Consequences for Non-U.S. Holders-Gain on Sale, Taxable Exchange or Other Taxable Disposition of Class A Common Stock, Pre-Funded Warrants or Common Warrants" below.

Dividends that Banzai pays to a Non-U.S. Holder that are effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States (or, if a tax treaty applies, are attributable to a U.S. permanent establishment or fixed base maintained by the Non-U.S. Holder) will generally not be subject to U.S. withholding tax, provided such Non-U.S. Holder complies with certain certification and disclosure requirements (usually by providing an IRS Form W-8ECI). Instead, such dividends will generally be subject to U.S. federal income tax, net of certain deductions, at the same graduated individual or corporate rates applicable to U.S. Holders. If the Non-U.S. Holder is a corporation, dividends that are effectively connected income may also be subject to a "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty).

As described above under the heading "Tax Consequences for U.S. Holders-Taxation of Distributions," the taxation of a distribution received with respect to a Common Warrant is unclear. Although the matter is not free from doubt, we intend to treat any distribution (excluding constructive distribution as discussed under the heading "Tax Consequences for Non-U.S. Holders-Possible Constructive Distributions") to a holder of Common Warrants as a distribution with respect to our stock for U.S. federal income tax purposes, in which case, such a distribution would be treated as a distribution subject to the remainder of the discussion under this heading. However, the matter is not entirely free from doubt, and Non-U.S. Holders should consult their own tax advisors regarding the U.S. federal income consequences of distributions received with respect to Common Warrants.

#### *Exercise of a Common Warrant*

The U.S. federal income tax treatment of a Non-U.S. Holder's exercise of a Common Warrant generally will correspond to the U.S. federal income tax treatment of the exercise of a Common Warrant by a U.S. Holder, as described under the section of this prospectus entitled "Tax Consequences for U.S. Holders-Exercise of a Common Warrant" above, although to the extent a cashless exercise results in a taxable exchange, the tax consequences to the Non-U.S. Holder would be the same as those described below in the section of this prospectus entitled "Tax Consequences for Non-U.S. Holders-Gain on Sale, Exchange or Other Taxable Disposition of Class A Common Stock, Pre-Funded Warrants or Common Warrants."

#### *Possible Constructive Distributions*

The terms of each Common Warrant provide for an adjustment to the number of shares of Class A Common Stock for which the Common Warrant may be exercised or to the exercise price of the Common Warrant in certain events, as discussed in the section of this prospectus entitled "Description of Securities-Common Warrants to be issued in this offering." An adjustment which has the effect of preventing dilution in the event of a stock dividend is generally not a taxable event. Nevertheless, a Non-U.S. Holder of Common Warrants would be treated as receiving a constructive distribution from us if, for example, the adjustment increases the holder's proportionate interest in our assets or earnings and profits (e.g., through an increase in the number of shares of Class A Common Stock that would be obtained upon exercise or through a decrease to the exercise price) as a result of a distribution of cash to the holders of shares of our Class Common Stock which is taxable to such holders as a distribution as described under the section of this prospectus entitled "Tax Consequences for Non-U.S. Holders-Taxation of Distributions" above. Such constructive distribution would be subject to tax as described under that section in the same manner as if such Non-U.S. Holder received a cash distribution from us equal to the fair market value of such increased interest.

#### *Gain on Sale, Exchange, or Other Taxable Disposition of Class A Common Stock, Pre-Funded Warrants or Common Warrants*

Subject to the discussions below regarding the Foreign Account Tax Compliance Act and backup withholding, a Non-U.S. Holder will generally not be subject to U.S. federal income or withholding tax in respect of gain recognized on a sale, taxable exchange or other taxable disposition of Class A Common Stock or a sale, taxable exchange, expiration, redemption or other taxable disposition of our Pre-Funded Warrants or Common Warrants unless:

- the gain is effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States (and, if an applicable tax treaty so requires, is attributable to a U.S. permanent establishment or fixed base maintained by the Non-U.S. Holder);

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; or
- Banzai is or has been a “United States real property holding corporation” for U.S. federal income tax purposes and, in the case where Class A Common Stock is traded on an established securities market, such Non-U.S. Holder has owned, directly or constructively, more than 5% of Class A Common Stock at any time within the shorter of the five-year period or such Non-U.S. Holder’s holding period for its Class A Common Stock.

Gain described in the first bullet point above will be subject to tax at generally applicable U.S. federal income tax rates. Any gains described in the first bullet point above of a Non-U.S. Holder that is a foreign corporation may also be subject to an additional “branch profits tax” at a 30% rate (or lower applicable treaty rate). Gain described in the second bullet point above will generally be subject to a flat 30% U.S. federal income tax. Non-U.S. Holders are urged to consult their tax advisors regarding possible eligibility for benefits under income tax treaties.

Banzai will be classified as a United States real property holding corporation if the fair market value of Banzai’s “United States real property interests” equals or exceeds 50% of the sum of the fair market value of Banzai’s worldwide real property interests plus Banzai’s other assets used or held for use in a trade or business, as determined for U.S. federal income tax purposes. Banzai does not believe it currently is or will become a United States real property holding corporation, however there can be no assurance in this regard. Non-U.S. Holders are urged to consult their tax advisors regarding the application of these rules.

#### *Foreign Account Tax Compliance Act*

Sections 1471 through 1474 of the Code and the Treasury Regulations and administrative guidance promulgated thereunder (commonly referred as the “Foreign Account Tax Compliance Act” or “FATCA”) generally impose withholding at a rate of 30% in certain circumstances on dividends in respect of, and, subject to the below discussion of proposed Treasury Regulations, the gross proceeds of dispositions of, our securities which are held by or through certain foreign financial institutions (including investment funds), unless any such institution (1) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (2) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. Under proposed Treasury Regulations promulgated by the Treasury Department on December 13, 2018, which state that taxpayers may rely on the proposed Treasury Regulations until final Treasury Regulations are issued, this withholding tax will not apply to the gross proceeds from the sale or disposition of our securities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which our securities is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of Class A Common Stock or Pre-Funded Warrants held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exceptions will generally be subject to withholding at a rate of 30%, unless such entity either (1) certifies to us or the applicable withholding agent that such entity does not have any “substantial United States owners” or (2) provides certain information regarding the entity’s “substantial United States owners,” which will in turn be provided to the U.S. Department of Treasury. Prospective Non-U.S. Holders should consult their tax advisors regarding the possible implications of FATCA on their investment in our securities.

#### *Information Reporting and Backup Withholding*

Payments of dividends on our securities or proceeds received in connection with the sale, exchange or other taxable disposition of our securities may be subject to information reporting to the IRS and U.S. backup withholding. Backup withholding generally will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes other required certifications, or who is otherwise exempt from backup withholding and establishes such exempt status. A Non-U.S. Holder generally will eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder’s U.S. federal income tax liability, and a holder generally may claim a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.



## LEGAL MATTERS

The validity of any securities offered by this prospectus will be passed upon for us by Hunter Taubman Fischer & Li LLC.

## EXPERTS

The financial statements of Banzai International, Inc. as of December 31, 2023 and for the years ended December 31, 2023 and 2022 included in this prospectus have been audited by Marcum, LLP, independent registered public accounting firm, as set forth in their report which report includes an explanatory paragraph related to the substantial doubt about the Company's ability to continue as a going concern, appearing elsewhere herein, and are included in reliance on such report given on the authority of such firm as experts in auditing and accounting.

## WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC as required by the Exchange Act. You can read our SEC filings, including this prospectus, over the Internet at the SEC's website at <http://www.sec.gov>.

Our website address is [www.banzai.io](http://www.banzai.io). Through our website, we make available, free of charge, certain documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC, including our Annual Reports on Form 10-K; our proxy statements for our annual and special stockholder meetings; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; Forms 3, 4, and 5 and Schedules 13D with respect to our securities filed on behalf of our directors and our executive officers; and amendments to those documents. The information contained on, or that may be accessed through, our website is not a part of, and is not incorporated into, this prospectus.

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**BANZAI INTERNATIONAL, INC.**

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**BANZAI INTERNATIONAL, INC.**  
**Condensed Consolidated Balance Sheets**

	<u>June 30, 2024</u> (Unaudited)	<u>December 31, 2023</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 471,747	\$ 2,093,718
Accounts receivable, net of allowance for credit losses of \$6,713 and \$5,748, respectively	26,161	105,049
Prepaid expenses and other current assets	1,080,936	741,155
Total current assets	<u>1,578,844</u>	<u>2,939,922</u>
Property and equipment, net	1,819	4,644
Goodwill	2,171,526	2,171,526
Operating lease right-of-use assets	46,434	134,013
Other assets	38,381	38,381
Total assets	<u>3,837,004</u>	<u>5,288,486</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	9,429,803	6,439,863
Accrued expenses and other current liabilities	4,264,028	5,194,240
Convertible notes (Yorkville)	2,013,000	1,766,000
Convertible notes - related party	—	2,540,091
Convertible notes	3,530,571	2,693,841
Notes payable	7,088,209	6,659,787
Notes payable - related party	3,468,124	2,505,137
Deferred underwriting fees	4,000,000	4,000,000
Deferred fee	—	500,000
Warrant liability	79,000	641,000
Warrant liability - related party	230,000	575,000
Earnout liability	37,125	59,399
Due to related party	67,118	67,118
GEM commitment fee liability	—	2,000,000
Deferred revenue	1,322,238	1,214,096
Operating lease liabilities, current	81,708	234,043
Total current liabilities	35,610,924	37,089,615
Other long-term liabilities	75,000	75,000
Total liabilities	<u>35,685,924</u>	<u>37,164,615</u>
Commitments and contingencies (Note 14)		
Stockholders' deficit:		
Common stock, \$0.0001 par value, 275,000,000 shares authorized and 3,003,810 and 2,585,296 issued and outstanding at June 30, 2024 and December 31, 2023, respectively	300	259
Preferred stock, \$0.0001 par value, 75,000,000 shares authorized, 0 shares issued and outstanding at June 30, 2024 and December 31, 2023	—	—
Additional paid-in capital	23,582,484	14,889,936
Accumulated deficit	(55,431,704)	(46,766,324)
Total stockholders' deficit	<u>(31,848,920)</u>	<u>(31,876,129)</u>
Total liabilities and stockholders' deficit	<u>\$ 3,837,004</u>	<u>\$ 5,288,486</u>

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

**BANZAI INTERNATIONAL, INC.**  
**Unaudited Condensed Consolidated Statements of Operations**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Operating income:</b>				
Revenue	\$ 1,068,197	\$ 1,193,321	\$ 2,147,669	\$ 2,370,382
Cost of revenue	330,008	379,294	711,388	791,520
Gross profit	738,189	814,027	1,436,281	1,578,862
<b>Operating expenses:</b>				
General and administrative expenses	4,319,014	2,929,150	8,627,943	6,099,213
Depreciation expense	1,261	1,621	2,825	4,025
Total operating expenses	4,320,275	2,930,771	8,630,768	6,103,238
Operating loss	(3,582,086)	(2,116,744)	(7,194,487)	(4,524,376)
<b>Other expenses (income):</b>				
GEM settlement fee expense	—	—	200,000	—
Other expense (income), net	64,145	(22,145)	60,027	(84,683)
Interest income	—	—	(10)	(111)
Interest expense	396,019	521,420	847,418	1,059,298
Interest expense - related party	385,474	552,403	962,987	935,687
Gain on extinguishment of liability	—	—	(527,980)	—
Loss on debt issuance	—	—	171,000	—
Change in fair value of warrant liability	(154,000)	—	(562,000)	—
Change in fair value of warrant liability - related party	(230,000)	—	(345,000)	—
Change in fair value of simple agreement for future equity	—	68,582	—	91,443
Change in fair value of simple agreement for future equity - related party	—	909,418	—	1,212,557
Change in fair value of bifurcated embedded derivative liabilities	—	(194,643)	—	(162,228)
Change in fair value of bifurcated embedded derivative liabilities - related party	—	(478,198)	—	(340,913)
Change in fair value of convertible notes	34,000	—	578,000	—
Yorkville prepayment premium expense	80,760	—	80,760	—
Total other expenses, net	576,398	1,356,837	1,465,202	2,711,050
Loss before income taxes	(4,158,484)	(3,473,581)	(8,659,689)	(7,235,426)
Income tax expense	6,624	12,472	5,691	15,749
Net loss	\$ (4,165,108)	\$ (3,486,053)	\$ (8,665,380)	\$ (7,251,175)
<b>Net loss per share</b>				
Basic and diluted	\$ (7.69)	\$ (26.98)	\$ (19.50)	\$ (56.16)
<b>Weighted average common shares outstanding</b>				
Basic and diluted	541,836	129,193	444,474	129,127

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

**BANZAI INTERNATIONAL, INC.**  
**Unaudited Condensed Consolidated Statements of Stockholders' Deficit**  
**for the Six Months Ended June 30, 2024 and 2023**

	Series A Preferred Stock		Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balance December 31, 2023</b>	—	\$ —	2,585,296	\$ 259	\$ 14,889,936	\$ (46,766,324)	\$ (31,876,129)
Conversion of convertible notes - related party	—	—	17,812	2	2,540,089	—	2,540,091
Shares issued to Yorkville for convertible notes	—	—	44,675	4	1,666,996	—	1,667,000
Shares issued to Yorkville for commitment fee	—	—	14,201	1	499,999	—	500,000
Shares issued to Roth for advisory fee	—	—	35,000	0	278,333	—	278,833
Shares issued to GEM	—	—	2,789	0	100,000	—	100,000
Shares issued for marketing expense	—	—	3,070	0	194,935	—	194,935
Forfeiture of sponsor shares	—	—	(2,000)	(0)	0	—	—
Stock-based compensation	—	—	—	—	252,967	—	252,967
Net loss	—	—	—	—	—	(4,500,272)	(4,500,272)
<b>Balance March 31, 2024</b>	—	—	2,669,343	267	20,423,754	(51,266,596)	(30,842,575)
Issuance of common stock and warrants, net of issuance costs	—	—	104,556	10	1,854,808	—	1,854,818
Shares issued for exercise of Pre-Funded warrants	—	—	173,222	17	849	—	866
Shares issued to Yorkville for convertible notes	—	—	20,176	2	334,998	—	335,000
Shares issued to Yorkville for redemption premium	—	—	12,000	1	115,799	—	115,800
Shares issued to GEM	—	—	18,113	2	299,998	—	300,000
Shares issued for marketing expenses	—	—	6,400	1	139,836	—	139,837
Stock-based compensation	—	—	—	—	412,442	—	412,442
Net loss	—	—	—	—	—	(4,165,108)	(4,165,108)
<b>Balance June 30, 2024</b>	—	\$ —	<b>3,003,810</b>	<b>\$ 300</b>	<b>\$ 23,582,484</b>	<b>\$ (55,431,704)</b>	<b>\$ (31,848,920)</b>

  

	Series A Preferred Stock		Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balance December 31, 2022</b>	—	\$ —	3,935,892	\$ 394	\$ 8,245,610	\$ (32,360,062)	\$ (24,114,058)
Exercise of stock options	—	—	171	—	5,543	—	5,543
Stock-based compensation	—	—	—	—	402,448	—	402,448
Net loss	—	—	—	—	—	(3,765,122)	(3,765,122)
<b>Balance March 31, 2023</b>	—	—	3,936,063	394	8,653,601	(36,125,184)	(27,471,189)
Exercise of stock options	—	—	126	—	7,820	—	7,820
Stock-based compensation	—	—	—	—	218,539	—	218,539
Net loss	—	—	—	—	—	(3,486,053)	(3,486,053)
<b>Balance June 30, 2023</b>	—	\$ —	<b>3,936,189</b>	<b>\$ 394</b>	<b>\$ 8,879,960</b>	<b>\$ (39,611,237)</b>	<b>\$ (30,730,883)</b>

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

**BANZAI INTERNATIONAL, INC.**  
**Unaudited Condensed Consolidated Statements of Cash Flow**

	<b>For the Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (8,665,380)	\$ (7,251,175)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation expense	2,825	4,025
Provision for credit losses on accounts receivable	(2,191)	(68,285)
Non-cash share issuance for marketing expenses	175,334	—
Non-cash settlement of GEM commitment fee	200,000	—
Non-cash share issuance for Yorkville redemption premium	80,760	—
Non-cash interest expense	596,693	471,076
Non-cash interest expense - related party	175,517	214,830
Amortization of debt discount and issuance costs	68,459	272,670
Amortization of debt discount and issuance costs - related party	787,470	719,913
Amortization of operating lease right-of-use assets	87,579	86,320
Stock based compensation expense	665,409	620,987
Gain on extinguishment of liability	(527,980)	—
Loss on debt issuance	171,000	—
Change in fair value of warrant liability	(562,000)	—
Change in fair value of warrant liability - related party	(345,000)	—
Change in fair value of simple agreement for future equity	—	91,443
Change in fair value of simple agreement for future equity - related party	—	1,212,557
Change in fair value of bifurcated embedded derivative liabilities	—	(162,228)
Change in fair value of bifurcated embedded derivative liabilities - related party	—	(340,913)
Change in fair value of convertible promissory notes	578,000	—
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	81,079	27,168
Prepaid expenses and other current assets	(180,343)	(93,137)
Deferred offering costs	—	(427,664)
Accounts payable	2,989,940	1,218,775
Deferred revenue	108,142	32,124
Accrued expenses	(123,399)	(336,332)
Operating lease liabilities	(152,335)	(138,804)
Earnout liability	(22,274)	(200,000)
Net cash used in operating activities	<u>(3,812,695)</u>	<u>(4,046,650)</u>
<b>Cash flows from financing activities:</b>		
Payment of GEM commitment fee	(1,200,000)	—
Repayment of convertible notes (Yorkville)	(750,000)	—
Proceeds from Yorkville redemption premium	35,040	—
Proceeds from issuance of convertible notes, net of issuance costs	2,250,000	850,000
Proceeds from issuance of convertible notes, net of issuance costs - related party	—	2,583,000
Proceeds received for exercise of Pre-Funded warrants	866	—
Proceeds from issuance of common stock	1,854,818	13,362
Net cash provided by financing activities	<u>2,190,724</u>	<u>3,446,362</u>
Net decrease in cash	(1,621,971)	(600,288)
Cash at beginning of period	2,093,718	1,023,499
Cash at end of period	<u>\$ 471,747</u>	<u>\$ 423,211</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	158,518	313,813
Cash paid for taxes	5,075	8,825
<i>Non-cash investing and financing activities</i>		
Shares issued to Roth for advisory fee	278,833	—
Shares issued to GEM	400,000	—
Shares issued for marketing expenses	334,772	—
Settlement of GEM commitment fee	200,000	—
Shares issued to Yorkville for commitment fee	500,000	—
Shares issued to Yorkville for redemption premium	115,800	—
Shares issued for exercise of Pre-Funded warrants	866	—
Issuance of convertible promissory note - GEM	1,000,000	—
Conversion of convertible notes - Yorkville	2,002,000	—
Conversion of convertible notes - related party	2,540,091	—

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

**BANZAI INTERNATIONAL, INC.**  
**Unaudited Notes to Condensed Consolidated Financial Statements**

**1. Organization**

***The Business***

Banzai International, Inc. (the “Company” or “Banzai”) was incorporated in Delaware on September 30, 2015. Banzai is a leading enterprise SaaS Video Engagement platform used by marketers to power webinars, trainings, virtual events, and on-demand video content.

***Close of the Merger***

On December 14, 2023 (the “Closing Date”), 7GC & Co. Holdings Inc. (“7GC”), our predecessor company, consummated the business combination pursuant to the Agreement and Plan of Merger and Reorganization, dated as of December 8, 2022 (the “Original Merger Agreement”), by and among 7GC, Banzai International, Inc. (“Legacy Banzai”), 7GC Merger Sub I, Inc., an indirect wholly owned subsidiary of 7GC (“First Merger Sub”), and 7GC Merger Sub II, LLC, a direct wholly owned subsidiary of 7GC (“Second Merger Sub”), as amended by the Amendment to Agreement and Plan of Merger, dated as of August 4, 2023 (the “Merger Agreement Amendment” and, together with the Original Merger Agreement, the “Merger Agreement”), by and between 7GC and Legacy Banzai.

Pursuant to the terms of the Merger Agreement, a business combination between 7GC and Legacy Banzai was effected through (a) the merger of First Merger Sub with and into Legacy Banzai, with Legacy Banzai surviving as a wholly-owned subsidiary of 7GC (Legacy Banzai, in its capacity as the surviving corporation of the merger, the “Surviving Corporation”) (the “First Merger”) and (b) the subsequent merger of the Surviving Corporation with and into Second Merger Sub, with Second Merger Sub being the surviving entity of the Second Merger, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC (the “Second Merger” and, together with the First Merger, the “Mergers” and, collectively with the other transactions described in the Merger Agreement, the “Merger”). On the Closing Date, and in connection with the closing of the Merger (the “Closing”), 7GC changed its name to Banzai International, Inc.

Although 7GC was the legal acquirer of Legacy Banzai in the merger, Legacy Banzai is deemed to be the accounting acquirer, and the historical financial statements of Legacy Banzai became the basis for the historical financial statements of the Company upon the closing of the merger.

As a result, the financial statements included here reflect (i) the historical operating results of Legacy Banzai prior to the merger; (ii) the combined results of 7GC and Legacy Banzai following the close of the merger; (iii) the assets and liabilities of Legacy Banzai at their historical cost and (iv) the Legacy Banzai’s equity structure for all periods presented, as affected by the recapitalization presentation after completion of the merger.

The aggregate consideration payable to securityholders of Legacy Banzai at the Closing consisted of a number of shares of Class A Common Stock or shares of Class B Common Stock, and cash in lieu of any fractional shares of Class A Common Stock or shares of Class B Common Stock that would otherwise have been payable to any Legacy Banzai securityholders, equal to \$100,000,000. See *Note 4 - Reverse Merger Capitalization with 7GC & Co. Holdings Inc.* for further details of the merger.

***Emerging Growth Company***

Upon closure of the Merger, the Company became an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies.

Section 102(b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply. Private companies are those companies that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act of 1934, as amended (the “Exchange Act”). The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies. Any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised, it adopts the new or revised standard at the time private companies adopt the new or revised standard. Therefore, the Company’s financial statements may not be comparable to certain public companies.

## 2. Going Concern

As of June 30, 2024 the Company had cash of approximately \$0.5 million. For the six months ended June 30, 2024, the Company used approximately \$3.8 million in cash for operating activities. The Company has incurred recurring net losses from operations and negative cash flows from operating activities since inception. As of June 30, 2024, the Company had an accumulated deficit of approximately \$55.4 million. These factors raise substantial doubt regarding the Company's ability to continue as a going concern within one year of the date these financial statements were issued.

The continuation of the Company as a going concern is dependent upon the continued financial support from its stockholders and debt holders. Specifically, continuation is contingent on the Company's ability to obtain necessary equity or debt financing to continue operations, and ultimately the Company's ability to generate profit from sales and positive operating cash flows, which is not assured.

The Company's plans include obtaining future debt and equity financings associated with the close of the Merger described in *Note 4 - Reverse Merger Capitalization with 7GC & Co. Holdings Inc.*. If the Company is unsuccessful in completing these planned transactions, it may be required to reduce its spending rate to align with expected revenue levels and cash reserves, although there can be no guarantee that it will be successful in doing so. Accordingly, the Company may be required to raise additional cash through debt or equity transactions. It may not be able to secure financing in a timely manner or on favorable terms, if at all. As a result, management's plans cannot be considered probable and thus do not alleviate substantial doubt about the Company's ability to continue as a going concern.

These accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

## 3. Summary of Significant Accounting Policies

### *Basis of Presentation*

The Company's unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and applicable regulations of the Securities and Exchange Commission ("SEC") for interim financial information and with the instructions to Form 10-Q of Regulation S-X. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations of the SEC relating to interim financial statements. The December 31, 2023 balance sheet information was derived from the audited financial statements as of that date. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on April 1, 2024. The interim unaudited condensed consolidated financial statements should be read in conjunction with those consolidated financial statements included in the Form 10-K. In the opinion of management, all adjustments considered necessary for a fair statement of the financial statements, consisting solely of normal recurring adjustments, have been made. Operating results for the periods ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

Effective September 19, 2024, the Company completed a one-for-fifty (1-for-50) reverse stock split of our issued and outstanding shares of Class A Common Stock without a corresponding reduction in the total number of authorized shares of our Class A Common Stock (the "Reverse Stock Split"). All references to shares of the Company's Class A Common Stock in these financial statements refer to the number of shares of Class A Common Stock after giving effect to the Reverse Stock Split and are presented as if the Reverse Stock Split had occurred at the beginning of the earliest period presented.

### *Warrant Liabilities*

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. 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.

#### *Warrant Liability - related party*

The warrants originally issued in 7GC's initial public offering (the "Public Warrants") are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercise or expiration, and any change in fair value is recognized in the Company's consolidated statements of operations.

The Public Warrants were initially measured at fair value using a Monte Carlo simulation model and have subsequently been measured based on the listed market price of such warrants. Warrant liabilities are classified as current liabilities on the Company's consolidated balance sheets.



### Warrant Liability

The GEM Warrants were not considered indexed to the issuer's stock pursuant to ASC 815, as the holder's ability to receive in lieu of the Warrant one percent of the total consideration received by the Company's stockholders in connection with a Change of Control, where the surviving corporation is not publicly traded, adjusts the settlement value based on items outside the Company's control in violation of the fixed-for-fixed option pricing model. As such, the Company recorded the Warrants as liabilities initially measured at fair value with subsequent changes in fair value recognized in earnings each reporting period.

The measurement of fair value was determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion).

### Loss Per Share

Basic loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share excludes, when applicable, the potential impact of stock options and convertible preferred stock because their effect would be anti-dilutive due to the net loss. Since the Company had a net loss in each of the periods presented, basic and diluted net loss per common share are the same.

The calculation of basic and diluted net loss per share attributable to common stock was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Net loss attributable to common stock—basic and diluted	\$ (4,165,108)	\$ (3,486,053)	\$ (8,665,380)	\$ (7,251,175)
<b>Denominator:</b>				
Weighted average shares—basic and diluted	541,836	129,193	444,474	129,127
Net loss per share attributable to common stock—basic and diluted	\$ (7.69)	\$ (26.98)	\$ (19.50)	\$ (56.16)

Securities that were excluded from loss per share as their effect would be anti-dilutive due to the net loss position that could potentially be dilutive in future periods are as follows:

	As of June 30,	
	2024	2023
Options	33,649	13,405
RSUs	17,558	—
Public warrants	230,000	—
GEM warrants	16,571	—
Common warrants	277,778	—
Placement agent warrants	16,667	—
<b>Total</b>	<b>592,222</b>	<b>13,405</b>

### Derivative Financial Instruments

The Company evaluates all its financial instruments to determine if such instruments contain features that qualify as embedded derivatives. Embedded derivatives must be separately measured from the host contract if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the statement of operations each period. Bifurcated embedded derivatives are classified with the related host contract in the Company's balance sheet. Refer to *Note 7 - Fair Value Measurements* and *Note 11 - Debt* for further detail.

### Fair Value of Financial Instruments

In accordance with FASB ASC 820 *Fair Value Measurements and Disclosures*, the Company uses a three-level hierarchy for fair value measurements of certain assets and liabilities for financial reporting purposes that distinguishes between market participant assumptions developed from market data obtained from outside sources (observable inputs) and the Company's own assumptions about market participant assumptions developed from the best information available to us in the circumstances (unobservable inputs). The fair value hierarchy is divided into three levels based on the source of inputs as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and values determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management during the three and six months ended June 30, 2024 and 2023. The carrying amount of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses, deferred revenue, and other current liabilities approximated their fair values as of June 30, 2024 and December 31, 2023.

### ***Recent Accounting Pronouncements***

#### *Recent accounting pronouncements not yet effective*

In December 2023, the FASB issued ASU 2023-09 (Topic 740), Improvements to income tax disclosures, which enhances the disclosure requirements for the income tax rate reconciliation, domestic and foreign income taxes paid, requiring disclosure of disaggregated income taxes paid by jurisdiction, unrecognized tax benefits, and modifies other income tax-related disclosures. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted and should be applied prospectively. The Company is currently evaluating the effect of adopting this guidance on its consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update intend to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. This ASU requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker, the addition of a category for other segment items by reportable segment, that all annual segment disclosures be disclosed in interim periods, and other related segment disclosures. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the effect of adopting this guidance on its consolidated financial statements.

### **4. Reverse Merger Capitalization with 7GC & Co. Holdings Inc.**

On December 14, 2023 (the “Closing Date”), Banzai consummated the previously announced Merger with 7GC, as a result of which Banzai became a wholly-owned subsidiary of 7GC. While 7GC was the legal acquirer of Banzai in the merger, for accounting purposes, Legacy Banzai was deemed to be the accounting acquirer in the merger. The determination was primarily based on Legacy Banzai’s stockholders having a majority of the voting power in the combined Company, Legacy Banzai having the ability to appoint a majority of the Board of Directors of the Company, Legacy Banzai’s existing management team comprising the senior management of the combined Company, Legacy Banzai comprising the ongoing operations of the combined Company and the combined Company assumed the name “Banzai International, Inc.”. Accordingly, for accounting purposes, the merger was treated as the equivalent of Legacy Banzai issuing stock for the net assets of 7GC, accompanied by a recapitalization. The net assets of 7GC are stated at historical cost, with no goodwill or other intangible assets recorded.

#### *Retroactive Restatement for Conversion of Common Stock and Series A Preferred Stock by Applying Exchange Ratio*

Upon the closing of the merger, holders of Legacy Banzai common stock and Series A preferred stock received shares of common stock in an amount determined by application of the Exchange Ratio. In accordance with guidance applicable to these circumstances, the equity structure has been restated in all comparable periods, prior to the merger, up to December 14, 2023, to reflect the number of shares of the Company’s common stock, \$0.0001 par value per share, issued to Legacy Banzai’s stockholders in connection with the merger. As such, the shares and corresponding capital amounts and earnings per share related to Legacy Banzai’s outstanding Series A preferred stock and Legacy Banzai’s common stock prior to the merger have been retroactively restated as shares reflecting the exchange ratio of approximately 0.6147 established in the merger. Legacy Banzai’s Series A preferred stock previously classified as temporary equity was retroactively adjusted, converted into common stock and reclassified to permanent equity as a result of the reverse recapitalization. The consolidated assets, liabilities, and results of operations prior to the merger are those of Legacy Banzai.

The aggregate consideration payable to securityholders of Banzai at the Closing Date was equal to \$100,000,000. Holders of 3,207,428 shares of 7GC’s Class A common stock, par value \$0.0001 per share (“7GC Class A Common Stock”), exercised their right to redeem their shares for cash at a redemption price of approximately \$10.76 per share, for an aggregate redemption amount of \$34,524,065. Immediately prior to the Closing Date, each share of Banzai’s Preferred Stock that was issued and outstanding was automatically converted into one share of Banzai’s Class A Common Stock, par value \$0.0001 per share. Each share of Banzai’s Class B Common Stock that was not held by the Chief Executive Officer of the Company converted to one share of Banzai’s Class A Common Stock, while the Chief Executive Officer received Class B Common Stock.

On the terms and subject to the conditions set forth in the Merger Agreement, at the Second Effective Time, each share of common stock of the Surviving Corporation issued and outstanding immediately prior to the Second Effective Time was cancelled and no consideration was delivered therefore.

Upon the closing of the merger, the Company's certificate of incorporation was amended and restated to, among other things, increase the total number of authorized shares of all classes of capital stock to 350,000,000 shares, consisting of 5,000,000 shares of Class A Common Stock, 25,000,000 shares of Class B Common Stock, and 75,000,000 shares of Preferred Stock, all having a par value of \$0.0001 per share. As of June 30, 2024, there were 3,003,810 shares of Common Stock and no shares of Preferred Stock outstanding.

#### *Effect of Merger on Class A and Class B Common Stock*

Upon the Close of the Merger, holders of Legacy Banzai common stock and Series A preferred stock were converted into shares of common stock in an amount determined by application of the Exchange Ratio. As noted above, the equity structure has been restated in all comparable periods, prior to the Merger, up to December 14, 2023, to reflect the number of shares of the Company's common stock, \$0.0001 par value per share, issued to Legacy Banzai's stockholders in connection with the Merger.

### **5. Related Party Transactions**

#### *7GC Related Party Promissory Notes*

On December 21, 2022, 7GC issued an unsecured promissory note (the "December 2022 7GC Note") to the Sponsor, 7GC & Co. Holdings LLC, which provides for borrowings from time to time of up to an aggregate of \$2,300,000. The December 2022 7GC Note does not bear interest. Upon the consummation of a Business Combination, the Sponsor shall have the option, but not the obligation, to convert the principal balance of the December 2022 7GC Note, in whole or in part, into that number of shares of Class A common stock, \$0.0001 par value per share, of 7GC (the "Converted Shares") equal to the principal amount of the December 2022 7GC Note so converted divided by \$10.00.

On October 3, 2023, 7GC issued an additional unsecured promissory note (the "October 2023 7GC Note", together with the December 2022 7GC Note, the "7GC Promissory Notes") to the Sponsor, which provides for borrowings from time to time of up to an aggregate of \$500,000 for working capital purposes. The October 2023 7GC Note does not bear interest. Upon the consummation of a Business Combination, the Sponsor shall have the option, but not the obligation, to convert the principal balance of the October 2023 7GC Note, in whole or in part, into that number of the Converted Shares, equal to the principal amount of the October 2023 7GC Note so converted divided by \$10.00.

Upon Closing of the Merger, Banzai assumed the 7GC Promissory Notes which subsequently converted on February 2, 2024. At the date of conversion, the total balance of the Notes converted was \$2,540,092.

#### *Due to Related Party of 7GC*

During the year ended December 31, 2023, the Sponsor paid certain expenses on behalf of 7GC. Upon Closing of the Merger, Banzai assumed the \$67,118 liability. As of June 30, 2024, the entire balance remained outstanding and is included within due to related party under current liabilities on the accompanying unaudited condensed consolidated balance sheet.

#### *Legacy Banzai Related Party Transactions*

During 2023, Legacy Banzai issued Promissory Notes and Convertible Notes to related parties. See *Note 11 - Debt* for further details related to these transactions and associated balances.

### **6. Revenue**

Under ASC 606, revenue is recognized throughout the life of the executed agreement. The Company measures revenue based on considerations specified in terms and conditions agreed to by a customer. Furthermore, the Company recognizes revenue when a performance obligation is satisfied by transferring control of the service to the customer, which occurs over time.

The Company's services include providing end-to-end video engagement solutions that provide a fast, intuitive and powerful platform of marketing tools that create more intent-driven videos, webinars, virtual events and other digital and in-person marketing campaigns.

As noted within the SOW's and invoices, agreements range from monthly to annual and Banzai generally provides for net 30-day payment terms with the payment made directly through check or electronic means.

Banzai's Management believes its exposure to credit risk is sufficiently mitigated by collection through credit card sales or direct payment from established clients.

### *Nature of Products and Services*

The following is a description of the Company's products and services from which the Company generates revenue, as well as the nature, timing of satisfaction of performance obligations, and significant payment terms for each, as applicable:

#### *Demio*

The Demio product is a full-stack technology that marketers can leverage live and automated for video marketing content such as webinars and virtual events. Software products are provided to Demio customers for a range of attendees and hosts within a specified time frame at a specified established price. The performance obligations identified include access to the suite and platform, within the parameters established, and within the standards established in the agreement. Contracts include a standalone selling price for the number of webinars and hosts as a performance obligation. There are no financing components and payments are typically net 30 of date or receipt of invoice. It is nearly 100% certain that a significant revenue reversal will not occur. The Company recognizes revenue for its sale of Demio services over time which corresponds with the period of time that access to the service is provided.

#### *Reach*

While the Reach product is in the process of being phased out, the Company continues to generate revenues from the product. The Reach product provides a multi-channel targeted audience acquisition (via Reach) to bolster engagement and Return on Investment (ROI). Banzai enables marketing teams to create winning webinars and virtual and in-person events that increase marketing efficiency and drive additional revenue. Software products are provided to Reach customers for a range of simultaneous events and registrations within a specified time frame at a specified established price. The performance obligations identified include access to the suite and platform, within the parameters established, and within the standards established in the agreement. Contracts include a standalone selling price for the number of simultaneous published events as a performance obligation. There are no financing components and payments are typically net 30 of date or receipt of invoice. It is nearly 100% certain that a significant revenue reversal will not occur. The Company recognizes revenue for its sale of Reach services over time which corresponds with the timing the service is rendered.

### *Disaggregation of Revenue*

The following table summarizes revenue by region based on the billing address of customers for the three months ended June 30, 2024 and 2023:

	<b>Three Months Ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>Percentage of Revenue</b>	<b>Amount</b>	<b>Percentage of Revenue</b>
Americas	\$ 587,712	55%	\$ 704,626	59%
Europe, Middle East and Africa (EMEA)	360,666	34%	389,318	33%
Asia Pacific	119,819	11%	99,377	8%
Total	<u>\$ 1,068,197</u>	<u>100%</u>	<u>\$ 1,193,321</u>	<u>100%</u>

The following table summarizes revenue by region based on the billing address of customers for the six months ended June 30, 2024 and 2023:

	<b>Six Months Ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>Percentage of Revenue</b>	<b>Amount</b>	<b>Percentage of Revenue</b>
Americas	\$ 1,170,539	55%	\$ 1,374,401	62%
Europe, Middle East and Africa (EMEA)	746,916	34%	797,228	30%
Asia Pacific	230,214	11%	198,753	8%
Total	<u>\$ 2,147,669</u>	<u>100%</u>	<u>\$ 2,370,382</u>	<u>100%</u>

## Contract Balances

### *Accounts Receivable, Net*

A receivable is recorded when an unconditional right to invoice and receive payment exists, such that only the passage of time is required before payment of consideration is due. The Company receives payments from customers based upon agreed-upon contractual terms, typically within 30 days of invoicing the customer. The timing of revenue recognition may differ from the timing of invoicing to customers.

	<b>Opening Balance 1/1/2024</b>	<b>Closing Balance 6/30/2024</b>	<b>Opening Balance 1/1/2023</b>	<b>Closing Balance 6/30/2023</b>
Accounts receivable, net	\$ 105,049	\$ 26,161	\$ 68,416	\$ 109,533

### *Costs to Obtain a Contract*

Sales commissions, the principal costs incurred to obtain a contract, are earned when the contract is executed. Management has capitalized these costs and amortized the commission expense over time in accordance with the related contract's term. For the three and six months ended June 30, 2024, commission expenses were \$61,146 and \$143,288, respectively. For the three and six months ended June 30, 2023, commission expenses were \$91,243 and \$190,619, respectively.

Capitalized commissions at June 30, 2024 and December 31, 2023 were \$39,144 and \$51,472, respectively, and are included within prepaid expenses and other current assets on the condensed consolidated balance sheets.

The following summarizes the Costs to obtain a contract activity during the three and six months ended June 30, 2024:

Balance - December 31, 2023	\$ 51,472
Commissions Incurred	31,610
Deferred Commissions Recognized	(44,620)
Balance - March 31, 2024	38,462
Commissions Incurred	48,316
Deferred Commissions Recognized	(47,634)
Balance - June 30, 2024	\$ 39,144

The following summarizes the Costs to obtain a contract activity during the three and six months ended June 30, 2023:

Balance - December 31, 2022	\$ 69,737
Commissions Incurred	88,928
Deferred Commissions Recognized	(104,289)
Balance - March 31, 2023	54,376
Commissions Incurred	60,777
Deferred Commissions Recognized	(75,001)
Balance - June 30, 2023	\$ 40,152

## 7. Fair Value Measurements

The fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the periods ended June 30, 2024 and the year ended December 31, 2023. The carrying amount of accounts payable approximated fair value as they are short term in nature.

### *Fair Value on a Non-recurring Basis*

The fair value of non-financial assets measured at fair value on a non-recurring basis, classified as Level 3 in the fair value hierarchy, is determined based on using market-based approaches, or estimates of discounted expected future cash flows.

### *Fair Value on a Recurring Basis*

The Company follows the guidance in ASC 820 *Fair Value Measurements and Disclosures* for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the Public Warrants liabilities represent Level 1 measurements. The estimated fair value of the convertible notes bifurcated embedded derivative liabilities, GEM warrant liabilities, Yorkville convertible note, and SAFE represent Level 3 measurements.

The following table presents information about the Company's financial instruments that are measured at fair value on a recurring basis at June 30, 2024 and December 31, 2023, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	June 30, 2024	December 31, 2023
<b>Liabilities:</b>			
Warrant liabilities - public	1	\$ 230,000	\$ 575,000
GEM warrant liabilities	3	\$ 79,000	\$ 641,000
Yorkville convertible note	3	\$ 2,013,000	\$ 1,766,000

#### ***Warrant Liability - Public Warrants***

The Company assumed 230,000 Public Warrants in the Merger which were outstanding as of June 30, 2024 and December 31, 2023. The fair values of the Public Warrants are measured based on the listed market price of such warrants through June 30, 2024. See *Note 12 - Warrant Liabilities* for further details.

As of June 30, 2024, the Company recognized a benefit of approximately \$345,000 resulting from changes in the fair value of the derivative warrant liabilities, presented as change in fair value of warrant liabilities - related party in the accompanying condensed consolidated statements of operations.

The following tables set forth a summary of the changes in the fair value of the Public Warrants liability which are Level 1 financial liabilities that are measured at fair value on a recurring basis:

	Fair Value
Balance at December 31, 2023	\$ 575,000
Change in fair value	(115,000)
Balance at March 31, 2024	460,000
Change in fair value	(230,000)
Balance at June 30, 2024	<u>\$ 230,000</u>

#### ***Warrant Liability - GEM Warrants***

The measurement of fair value of the GEM Warrants were determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion). Refer to *Note 12 - Warrant Liabilities* for further details.

As of June 30, 2024, the Company recognized a benefit of approximately \$562,000, resulting from changes in the fair value of the derivative warrant liabilities, presented as change in fair value of warrant liabilities in the accompanying condensed consolidated statements of operations.

The following tables set forth a summary of the changes in the fair value of the GEM Warrants liability which are Level 3 financial liabilities that are measured at fair value on a recurring basis:

	Fair Value
Balance at December 31, 2023	\$ 641,000
Change in fair value	(408,000)
Balance at March 31, 2024	233,000
Change in fair value	(154,000)
Balance at June 30, 2024	<u>\$ 79,000</u>

#### ***Yorkville Convertible Notes***

The measurement of fair value of the Yorkville convertible notes were determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, term, volatility, risk-free rate, and probability of optional redemption). Refer to *Note 11 - Debt* for further details.

As of June 30, 2024, the Company recognized a loss of approximately \$578,000 resulting from changes in the fair value of the Yorkville convertible notes, presented as change in fair value of convertible promissory notes in the accompanying condensed consolidated statements of operations.

The following tables set forth a summary of the changes in the fair value of the Yorkville convertible notes which is a Level 3 financial liability measured at fair value on a recurring basis:

	<b>Fair Value</b>
Balance at December 31, 2023	\$ 1,766,000
Issuance of Yorkville convertible note	2,250,000
Loss on debt issuance	171,000
Payment in shares to settle Yorkville convertible notes	(1,667,000)
Change in fair value	544,000
Balance at March 31, 2024	3,064,000
Payment in shares to settle Yorkville convertible notes	(335,000)
Repayment in cash of Yorkville convertible notes	(750,000)
Change in fair value	34,000
Balance at June 30, 2024	\$ 2,013,000

#### ***Bifurcated Embedded Derivative Liabilities***

The fair value of the embedded put options, relating to the Convertible Notes - Related Party, Convertible Notes, and Term and Convertible Notes (CP BF), was determined using a Black Scholes option pricing model. Estimating fair values of embedded conversion features requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Because the embedded conversion features are initially and subsequently carried at fair values, the Company's consolidated statements of operations will reflect the volatility in these estimate and assumption changes. On December 14, 2023, all outstanding principal and accrued interest, including the carrying value of any related embedded derivative, related to the Related Party Convertible Notes and Third Party Convertible Notes converted into the Company's Class A Common Stock pursuant to the close of the Merger Agreement. Upon the conversion described above, the bifurcated embedded derivative liabilities were \$0 as of June 30, 2024 and December 31, 2023, respectively. Refer to *Note 11 - Debt* for further details.

The following table sets forth a summary of the changes in the fair value of the bifurcated embedded derivative liabilities for the six months ended June 30, 2023, related to the Related Party and Third Party Convertible Debt, respectively, which are Level 3 financial liabilities that are measured at fair value on a recurring basis:

	<b>Fair Value</b>	
	<i>Related Party</i>	<i>Third Party</i>
Balance at December 31, 2022	\$ 1,936,827	\$ 845,473
Issuance of convertible notes with bifurcated embedded derivative	707,000	—
Change in fair value	137,285	32,415
Balance at March 31, 2023	2,781,112	877,888
Issuance of convertible notes with bifurcated embedded derivative	419,451	330,390
Change in fair value	(478,198)	(194,643)
Balance at June 30, 2023	\$ 2,722,365	\$ 1,013,635

#### ***Simple Agreements for Future Equity (SAFE)***

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements (the "SAFEs"). In the event of an Equity Financing (as defined in the SAFEs agreements), the SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The number of shares required to be issued to settle the SAFEs at the equity financing is variable, because that number will be determined by the discounted fair value of the Company's equity shares on the date of settlement (i.e., Discount Price). Regardless of the fair value of the shares on the date of settlement, the holder will receive a fixed monetary value based on the Purchase Amount of the SAFE. If there is a Liquidity Event or SPAC Transaction before the settlement or termination of the SAFEs, the SAFEs will automatically be entitled to receive a portion of Proceeds, due and payable immediately prior to, or concurrent with, the consummation of such Liquidity Event or SPAC Transaction, equal to the greater of (i) two times (2x) the Purchase Amount (the "Cash-Out Amount") or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (as defined in the SAFEs agreements). Refer to *Note 13 - Simple Agreements for Future Equity* for additional information related to the Company's SAFEs.

The fair value of the SAFEs was determined using a scenario-based method for the pre-modification SAFE's and a Monte Carlo simulation method for the post-modification SAFEs. The value of the SAFE liability as of December 31, 2023 is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the SAFEs on the date of issuance was determined to be \$3,836,000. On December 14, 2023, all outstanding principal related to the Third Party SAFEs and Related Party SAFEs converted into the Company's Class A Common Stock pursuant to the close of the Merger Agreement. Upon the conversion described above, the SAFEs were \$0 as of June 30, 2024 and December 31, 2023, respectively. Refer to *Note 13 - Simple Agreements for Future Equity* for further details.

The following tables set forth a summary of the activity of the Related Party and Third Party SAFE liabilities, respectively (See *Note 13 - Simple Agreements for Future Equity* for further detail), which represents a recurring fair value measurement at the end of the relevant reporting period:

	Fair Value	
	<i>Related Party</i>	<i>Third Party</i>
Balance at December 31, 2022	\$ 8,802,196	\$ 663,804
Change in fair value	303,139	22,861
Balance at March 31, 2023	9,105,335	686,665
Change in fair value	909,418	68,582
Balance at June 30, 2023	<u>\$ 10,014,753</u>	<u>\$ 755,247</u>

#### 8. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following at the dates indicated:

	June 30, 2024	December 31, 2023
Prepaid expenses and other current assets:		
Service Trade	\$ 302,055	\$ 364,384
Prepaid insurance costs	282,265	17,661
Prepaid advertising and marketing costs	259,438	11,074
Prepaid software costs	97,912	29,887
Prepaid commissions	39,144	51,472
Prepaid data license and subscription costs	34,375	53,124
Prepaid merchant fees	28,488	26,224
Prepaid consulting costs	26,539	120,332
Other current assets	10,720	66,997
Total prepaid expenses and other current assets	<u>\$ 1,080,936</u>	<u>\$ 741,155</u>

#### 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following at the dates indicated:

	June 30, 2024	December 31, 2023
Accrued expenses and other current liabilities:		
Accrued accounting and professional services costs	\$ 2,458,192	\$ 1,511,889
Accrued subscription costs	510,549	22,110
Sales tax payable	363,883	314,873
Excise tax payable	223,717	223,717
Accrued legal costs	159,417	2,694,439
Accrued payroll and benefit costs	123,335	185,504
Deposits	52,000	54,102
Accrued streaming service costs	48,218	37,765
Other current liabilities	324,717	149,841
Total accrued expenses and other current liabilities	<u>\$ 4,264,028</u>	<u>\$ 5,194,240</u>

#### 10. Deferred Revenue

Deferred revenue represents amounts that have been collected in advance of revenue recognition and is recognized as revenue when transfer of control to customers has occurred or services have been provided. The deferred revenue balance does not represent the total contract value of annual or multi-year, non-cancelable revenue agreements. Differences between the revenue recognized per the below schedule, and the revenue recognized per the consolidated statement of operations, reflect amounts not recognized through the deferred revenue process, and which have been determined to be insignificant. For the six months ended June 30, 2024 and 2023, the Company recognized \$861,496 and \$887,219 in revenue that was included in the prior year deferred revenue balance, respectively.



The change in deferred revenue was as follows for the periods indicated:

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Deferred revenue, beginning of period	\$ 1,214,096	\$ 930,436
Billings	2,255,811	4,781,924
Revenue recognized (prior year deferred revenue)	(861,496)	(930,436)
Revenue recognized (current year deferred revenue)	(1,286,173)	(3,567,828)
Deferred revenue, end of period	<u>\$ 1,322,238</u>	<u>\$ 1,214,096</u>

The deferred revenue balance is short-term and included under current liabilities on the accompanying unaudited condensed consolidated balance sheet.

## 11. Debt

### Convertible Notes

#### Convertible Notes - Related Party

During 2022 and 2023, the Company issued subordinated convertible promissory notes to related parties Alco Investment Company (“Alco”), Mason Ward, DNX, and William Bryant. Alco held approximately 5% of the issued equity of the Company, through its ownership of Series A preferred stock. DNX held in excess of 5% of the issued equity of the Company, through its ownership of Series A preferred stock. William Bryant became a member of the Board of Directors upon completion of the Merger. The Related Party Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of the Company to be issued to other investors upon a Qualified Financing (as defined in the agreement).

For the three and six months ended June 30, 2023, the Company recorded a \$707,000 and \$1,126,451, respectively, debt discount upon issuance of additional Related Party Convertible Notes. For the three months ended June 30, 2023, interest expense on the Related Party Convertible Notes totaled \$552,403, comprised of \$125,352 of contractual interest and \$427,051 for the amortization of the discount. For the six months ended June 30, 2023, interest expense on the Related Party Convertible Notes totaled \$935,687, comprised of \$215,774 of contractual interest and \$719,913 for the amortization of the discount.

#### March 2023 Amendment

In March 2023, the Related Party Convertible Notes were amended to extend the maturity to December 31, 2023. The Company evaluated the terms of the First Amendment in accordance with ASC 470-60, Troubled Debt Restructurings, and ASC 470-50, Debt Modifications and Extinguishments. The Company determined that the Company was granted a concession by the lender based on the decrease of the effective borrowing rate on the First Amendment. Accordingly, the Company accounted for the First Amendment as a troubled debt restructuring. As a result, the Company accounted for the troubled debt restructuring by calculating a new effective interest rate for the First Amendment based on the carrying amount of the debt and the present value of the revised future cash flow payment stream. The troubled debt restructuring did not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

#### Convertible Notes - Third Party

During 2022 and 2023, the Company issued additional subordinated convertible notes (the “Third Party Convertible Notes”). The Third Party Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of the Company to be issued to other investors upon a Qualified Financing (as defined in the agreement).

For the three and six months ended June 30, 2023, the Company recorded a \$0 and \$330,390, respectively, debt discount upon issuance of additional Third Party Convertible Notes. For the three months ended June 30, 2023, interest expense on the Third Party Convertible Notes totaled \$142,353, comprised of \$37,845 of contractual interest and \$104,508 for the amortization of the discount. For the six months ended June 30, 2023, interest expense on the Third Party Convertible Notes totaled \$293,977, comprised of \$72,562 of contractual interest and \$221,415 for the amortization of the discount.

#### March 2023 Amendment

In March 2023, the Third Party Convertible Notes were amended to extend the maturity to December 31, 2023. The Company evaluated the terms of the First Amendment in accordance with ASC 470-60, Troubled Debt Restructurings, and ASC 470-50, Debt Modifications and Extinguishments. The Company determined that the Company was granted a concession by the lender based on the decrease of the effective borrowing rate on the First Amendment. Accordingly, the Company accounted for the First Amendment as a troubled debt restructuring. As a result, the Company accounted for the troubled debt restructuring by calculating a new effective interest rate for the First Amendment based on the carrying amount of the debt and the present value of the revised future cash flow payment stream. The troubled debt restructuring did not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

The following table presents the Related Party and Third Party Convertible Notes, respectively, as of December 31, 2023:

	<i>Related Party</i>	<i>Third Party</i>
Face value of the convertible notes	\$ 6,783,538	\$ 3,196,206
Debt discount, net	(131,867)	(83,688)
Carrying value of the convertible notes	6,651,671	3,112,518
Accrued interest	619,697	233,714
Conversion of convertible notes	(7,271,368)	(3,346,232)
Total convertible notes and accrued interest	\$ —	\$ —

### ***Promissory Notes***

#### *Promissory Notes - Related Party*

On August 30, 2023, the Company issued a subordinate promissory note (“Alco August Promissory Note”) in the aggregate principal amount of \$150,000 to Alco Investment Company, a related party. Alco held its ownership of over 10% of the issued equity of the Company, through its ownership of Series A preferred stock. The Alco August Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on April 29, 2024. The Company recorded a \$3,711 debt discount upon issuance of the Alco August Promissory Note. For the three months ended June 30, 2024, interest expense on the Alco August Promissory Note totaled \$2,908, comprised of \$2,992 of contractual accrued interest and (\$84) for the amortization of the discount. For the six months ended June 30, 2024, interest expense on the Alco August Promissory Note totaled \$8,357, comprised of \$5,983 of contractual accrued interest and \$2,374 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$150,000 of principal and \$10,027 and \$4,044, respectively, of accrued interest is outstanding under the Alco August Promissory Note recorded in note payable - related party on the balance sheets.

On September 13, 2023, the Company issued a subordinate promissory note (“Alco September Promissory Note”) in the aggregate principal amount of up to \$1,500,000 to Alco Investment Company, a related party. The Alco September Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on September 30, 2024. The Company recorded \$8,588 of debt issuance costs and a \$638,808 debt discount upon issuance of the Alco September Promissory Note, relating to the share transfer agreements, see below. For the three months ended June 30, 2024, interest expense on the Alco September Promissory Note totaled \$95,935, comprised of \$29,918 of contractual accrued interest and \$66,017 for the amortization of the discount. For the six months ended June 30, 2024, interest expense on the Alco September Promissory Note totaled \$187,498, comprised of \$59,836 of contractual accrued interest and \$127,662 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$1,500,000 of principal and \$90,411 and \$30,575, respectively, of accrued interest is outstanding under the Alco September Promissory Note recorded in note payable - related party on the balance sheets.

On November 16, 2023, the Company issued a subordinate promissory note (“Alco November Promissory Note”) in the aggregate principal amount of up to \$750,000 to Alco Investment Company, a related party. The Alco November Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on April 13, 2024. The Company recorded a \$363,905 debt discount upon issuance of the Alco November Promissory Note relating to the share transfer agreements, see below. For the three months ended June 30, 2024, interest expense on the Alco November Promissory Note totaled (\$31,036), comprised of \$14,959 of contractual accrued interest and (\$45,995) for the amortization of the discount. For the six months ended June 30, 2024, interest expense on the Alco November Promissory Note totaled \$217,249, comprised of \$29,918 of contractual accrued interest and \$187,331 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$750,000 of principal and \$37,315 and \$7,397, respectively, of accrued interest is outstanding under the Alco November Promissory Note recorded in note payable - related party on the consolidated balance sheets.

On December 13, 2023, the Company issued a subordinate promissory note (“Alco December Promissory Note”) in the aggregate principal amount of up to \$2,000,000 to Alco Investment Company, a related party. The Alco December Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on December 31, 2024. The Company recorded a \$1,496,252 debt discount upon issuance of the Alco December Promissory Note, relating to the share transfer agreements, see below. For the three months ended June 30, 2024, interest expense on the Alco December Promissory Note totaled \$317,667, comprised of \$39,890 of contractual accrued interest and \$277,777 for the amortization of the discount. For the six months ended June 30, 2024, interest expense on the Alco December Promissory Note totaled \$549,883, comprised of \$79,780 of contractual accrued interest and \$470,103 for the amortization of the discount. As of June 30, 2024 and December 31, 2023, \$2,000,000 of principal and \$87,670 and \$7,890, respectively, of accrued interest is outstanding under the Alco December Promissory Note recorded in note payable – related party on the consolidated balance sheets.

In connection with the issuances of the Alco September, November, and December Promissory Notes, the Company, 7GC and the Sponsor entered into share transfer agreements (the "Alco Share Transfer Agreements") with Alco Investment Company. Pursuant to which for each \$500.00 in principal borrowed under the Alco September and November Promissory Notes, the Sponsor agreed to forfeit one share of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive one New Banzai Class A Share. For each \$500.00 in principal borrowed under the December Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three New Banzai Class A Shares. Such forfeited and issued shares under the Alco September, November, and December Promissory Notes are capped at an amount equal to 3,000, 1,500, and 12,000, respectively. Pursuant to the Alco Share Transfer Agreements, the shares are subject to an 180-day lock-up period upon issuance of the shares.

For the Alco Share Transfer Agreements, the Company considered the guidance under ASC 815, Derivatives and Hedging, and determined that the Investor Shares underlying each of the Share Transfer Agreements described above, met the definition of a freestanding financial instrument and are not precluded from being considered indexed to the Company's common stock. The Company determined that these shares represent a freestanding equity contract issued to the lender, resulting in a discount recorded on the notes when they are issued.

Equity-classified contracts are initially measured at fair value (or allocated value). Subsequent changes in fair value are not recognized if the contracts continue to be classified in equity. The measurement of fair value was determined utilizing various put option models in estimating the discount lack of marketability (the "DLOM") applied to the public share price as the shares underlying each of the Share Transfer Agreements are subject to a lock-up period pursuant to each agreement, to estimate the fair value of the shares transferred. Option pricing models assume that the cost to purchase a stock option relates directly to the measurement of the DLOM. The logic behind these models is that investors may be able to quantify this price risk, due to lack of marketability, over a particular holding period where price volatility is usually estimated as a proxy for risk. The inputs and assumptions utilized in the fair value estimation included the Company's stock price on the measurement date, a DLOM as described above, the number of shares pursuant to each Share Transfer Agreement, and a probability weighted factor for the Company's expected percentage of completing its Business Combination, at each Share Transfer Agreement date.

For the Alco September Promissory Note, of which \$1,000,000 was drawn on September 13, 2023, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 272 days (approximately 0.77 years) measured from the date of issuance of the \$1,000,000 of proceeds under the September Note through the issuance of the shares under the Alco October Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 54.0%; and a risk-free rate commensurate with the term of 5.3%. The put option models provided a DLOM range of 10.7% to 16.0% and the concluded DLOM was estimated to be 12.5%. The Company's expected percentage of completing the Merger on this date was 80%.

For the remaining \$500,000 drawn on the Alco September Promissory Note on October 3, 2023, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 252 days (approximately 0.72 years) measured from the date of issuance of the remaining \$500,000 of proceeds under the September Note through the issuance of the shares under the Alco October Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 52.0%; and a risk-free rate commensurate with the term of 5.4%. The put option models provided a DLOM range of 10.0% to 15.0% and the concluded DLOM was estimated to be 11.5%. The Company's expected percentage of completing the Merger on this date was 80%.

For the Alco November Promissory Note, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 208 days (approximately 0.60 years) measured from the issuance date of the November Note through the issuance of the shares under the November 2023 Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 54.0%; and a risk-free rate commensurate with the term of 5.2%. The put option models provided a DLOM range of 9.5% to 15.0% and the concluded DLOM was estimated to be 11.5%. The Company's expected percentage of completing the Merger on this date was 100%.

For the Alco December Promissory Note, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 180 days (approximately 0.49 years) measured from the issuance date of the December Note through the issuance of the shares under the December 2023 Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 47.0%; and a risk-free rate commensurate with the term of 5.2%. The put option models provided a DLOM range of 7.5% to 12.0% and the concluded DLOM was estimated to be 9.0%. The Company's expected percentage of completing its Business Combination on this date was 100%.

#### *April 2024 and May 2024 Amendment*

On April 18, 2024, the Company amended the Alco August Promissory Note and Alco November Promissory Note to extend the maturity dates of each note to May 31, 2024 (the “Alco April 2024 Amendment”). On May 30, 2024, both parties agreed to again amend the Alco August Promissory Note and Alco November Promissory Note to further amend the maturity date to the earlier of (a) August 29, 2024 or (b) the closing of the next transaction (an “Offering”) in which the Company sells any of its Common Stock for cash with net proceeds of \$4,000,000 or greater or if the holder acquires Common Stock in an amount not less than the then outstanding balance of the Alco August Promissory Note and Alco November Promissory Note (the “Alco May 2024 Amendment”). The Company evaluated the terms of both the Alco April 2024 Amendment and Alco May 2024 Amendment (the “Alco 2024 Amendments”) in accordance with ASC 470-60, Troubled Debt Restructurings, and ASC 470-50, Debt Modifications and Extinguishments. The Company determined that the Company was granted a concession by the lender based on the decrease of the effective borrowing rate on the Alco 2024 Amendments. Accordingly, the Company accounted for the Alco 2024 Amendments as troubled debt restructurings. As a result, the Company accounted for the troubled debt restructurings by calculating a new effective interest rate for the Alco 2024 Amendments based on the carrying amount of the debt and the present value of the revised future cash flows payment streams. The troubled debt restructurings did not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

#### *Promissory Notes - 7GC*

The Company assumed two promissory notes in connection with the Merger which remained outstanding as of December 31, 2023. On February 9, 2024, the \$2,540,091 balance was converted into 17,812 shares the Company’s Class A Common Stock pursuant to the terms in the 7GC Promissory Notes.

#### *Promissory Note - GEM*

On December 14, 2023, the Company and GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, “GEM”) agreed to terminate in its entirety the GEM Agreement, pursuant to which GEM was to purchase from the Company shares of common stock having an aggregate value up to \$100,000,000 and the Company was required to make and execute a warrant (“GEM Warrant”). The Company’s obligation to issue the GEM Warrant remained, granting GEM the right to purchase Class A Common Stock in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a \$2.0 million convertible debenture with a five-year maturity and 0% coupon. Due to the determination of the final terms of the planned \$2.0 million convertible debenture having not been finalized, nor the final agreement related to the convertible debenture having been executed, as of December 31, 2023, the Company recognized, concurrent with the close of the merger, a liability for the GEM commitment fee, along with a corresponding GEM commitment fee expense, in the amount of \$2.0 million.

On February 5, 2024, the Company and GEM entered into a settlement agreement (the “GEM Settlement Agreement”), pursuant to which (a) the Company and GEM agreed to (i) settle the Company’s obligations under and terminate the binding term sheet entered into between Legacy Banzai and GEM, dated December 13, 2023, and (ii) terminate the share repurchase agreement, dated May 27, 2022, by and among the Company and GEM, and (b) the Company (i) agreed to pay GEM \$1.2 million in cash within three business days of the GEM Settlement Agreement and (ii) issued to GEM, on February 5, 2024, an unsecured promissory zero coupon note in the amount of \$1.0 million, payable in monthly installments of \$100,000 beginning on March 1, 2024, with the final payment to be made on December 1, 2024 (the “GEM Promissory Note”). The Company paid GEM the \$1.2 million in cash in February 2024.

The GEM Promissory Note provides that, in the event the Company fails to make a required monthly payment when due, the Company shall issue to GEM a number of shares of Class A Common Stock equal to the monthly payment amount divided by the VWAP of the Class A Common Stock for the trading day immediately preceding the applicable payment due date. In addition, the Company agreed to register on a registration statement 40,000 shares of Class A Common Stock that may be issuable under the terms of the GEM Promissory Note. The GEM Promissory Note contains customary events of default. If an event of default occurs, GEM may, at its option, demand from the Company immediate payment of any outstanding balance under the GEM Promissory Note.

As of June 30, 2024, the Company has issued an aggregate of 20,902 shares of Class A Common Stock to GEM in lieu of monthly payment obligations and the remaining balance of the GEM Promissory Note as of June 30, 2024 is \$600,000 recorded in the convertible notes line on the unaudited consolidated balance sheet.

#### *Convertible Promissory Notes (Yorkville)*

On December 14, 2023, in connection with and pursuant to the terms of its Standby Equity Purchase Agreement (“SEPA”) with YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP (“Yorkville”), (refer to *Note 15 - Equity* for further details), Yorkville agreed to advance to the Company, in exchange for convertible promissory notes, an aggregate principal amount of up to \$3,500,000, \$2,000,000 of which was funded at the Closing in exchange for the issuance by the Company of a Convertible Promissory Note (the “December Yorkville Convertible Note”). The Company received net proceeds of \$1,800,000 after a non-cash original issue discount of \$200,000.

On February 5, 2024, the Company and Yorkville entered into a supplemental agreement (the “SEPA Supplemental Agreement”) to increase the amount of convertible promissory notes allowed to be issued under SEPA by \$1,000,000 (the “Additional Pre-Paid Advance Amount”), for an aggregate principal amount of \$4,500,000 to be advanced by Yorkville to the Company in the form of convertible promissory notes. On February 5, 2024 in exchange for a promissory note in the principal amount of \$1,000,000 (the “February Yorkville Promissory Note”), with the same terms as the December Yorkville Convertible Note, the Company received net proceeds of \$900,000 after a non-cash original issue discount of \$100,000.

On March 26, 2024, the Company, in exchange for a convertible promissory note with a principal amount of \$1,500,000 (the “March Yorkville Promissory Note” and, together with the December Yorkville Convertible Note and February Yorkville Promissory Note the “Yorkville Promissory Notes”), received net proceeds of \$1,250,000 after a non-cash original issue discount of \$250,000 from Yorkville.

On May 3, 2024, the Company and Yorkville entered into a Debt Repayment Agreement (the “Original Debt Repayment Agreement”) with respect to the Yorkville Promissory Notes. Under the Original Debt Repayment Agreement, Yorkville agreed that, upon completion of a Company registered offering and repayment of an aggregate \$2,000,000 outstanding under the Yorkville Promissory Notes (the “Original Repayment Amount”), Yorkville would not deliver to the Company any Investor Notice (as defined in the SEPA) and would not exercise its right to convert the remainder of the amount outstanding under the Promissory Notes for a period commencing on the date of the closing of the offering and ending on the date that is 90 days thereafter. Under the Original Debt Repayment Agreement, the Company and Yorkville also agreed to extend the maturity date of the Promissory Notes to the date that is 120 days after the closing of the offering and to satisfy the \$200,000 payment premium due in connection with an early redemption through the issuance of an Advance Notice (as defined in the SEPA) for shares of the Company’s Class A common stock, par value \$0.0001 per share. The Debt Repayment Agreement was conditioned on the completion of the offering by June 2, 2024.

On May 22, 2024, the Company and Yorkville entered into an Amended and Restated Debt Repayment Agreement (the “Amended Debt Repayment Agreement”) with respect to the Yorkville Promissory Notes, which amends and restates the Original Debt Repayment Agreement. Under the Amended Debt Repayment Agreement, Yorkville has agreed that, upon completion of a registered offering and repayment of an aggregate \$750,000 outstanding under the Yorkville Promissory Notes (the “Amended Repayment Amount”), Yorkville will not deliver to the Company any Investor Notice (as defined in the SEPA) and will not exercise its right to convert the remainder of the amount outstanding under the Promissory Notes for a period commencing on the date of the closing of the offering and ending on the date that is 90 days thereafter (the “Stand-still Period”); provided that the Company will seek any consents necessary to allow Yorkville to issue Investor Notices or exercise its right to convert the remainder of the amount outstanding under the Promissory Notes after a period of 60 days following the closing of the offering. Under the Amended Debt Repayment Agreement, the Company and Yorkville also agreed to extend the maturity date of the Promissory Notes to the date that is 120 days after the closing of the offering and to satisfy the \$75,000 payment premium due in connection with an early redemption through the issuance of an Advance Notice for shares of Class A Common Stock (the “Q2 Prepayment Premium”). The Amended Debt Repayment Agreement was conditioned on the completion of the offering by May 29, 2024, which condition was satisfied upon the closing of the offering on May 28, 2024 (the “May 2024 Offering”).

Pursuant to the terms of the Amended Repayment Agreement, the Company made a cash principal payment of \$750,000 on May 31, 2024 (the “Repayment Date”), and issued an Advance Notice for the purchase of 12,000 shares of Class A Common Stock (the “Premium Advance Shares”) (representing the number of shares the Company reasonably believed would be sufficient to result in net proceeds of \$75,000 as of the Repayment Date) (the “Premium Advance”). The total purchase price for the Premium Advance was \$110,040, of which \$75,000 was applied in satisfaction of the Payment Premium, and the remaining \$35,040 was paid by Yorkville to the Company in cash (the “Cash Surplus”). The Premium Advance Shares were recorded at fair value totaling \$115,800 on the Repayment Date, and the excess of fair value over the Cash Surplus was recorded to the consolidated statement of operations in line Yorkville prepayment premium expense.

The Yorkville Promissory Notes have a maturity date (as modified by the Amended Debt Repayment Agreement) of September 25, 2024, and accrue interest at 0% per annum, subject to an increase to 18% per annum upon events of default as defined in the agreement. As of June 30, 2024, no events of default have occurred.

Yorkville has the right to convert any portion of the outstanding principal into shares of Class A common stock at any time subsequent to the Stand-still Period through maturity. The number of shares issuable upon conversion is equal to the amount of principal to be converted (as specified by Yorkville) divided by the Conversion Price (as defined in the Standby Equity Purchase Agreement disclosure in Note 15). Yorkville will not have the right to convert any portion of the principal to the extent that after giving effect to such conversion, Yorkville would beneficially own in excess of 9.99% of the total number of shares of Class A common stock outstanding after giving effect to such conversion.

Additionally, the Company, at its option, shall have the right, but not the obligation, to redeem early a portion or all amounts outstanding under the Promissory Notes at a redemption amount equal to the outstanding principal balance being repaid or redeemed, plus a 10% prepayment premium, plus all accrued and unpaid interest; provided that (i) the Company provides Yorkville with no less than ten trading days’ prior written notice thereof and (ii) on the date such notice is issued, the VWAP of the Class A common stock is less than the Fixed Price.

Upon the occurrence of certain triggering events, as defined in the Yorkville Promissory Notes agreement (each an “Amortization Event”), the Company may be required to make monthly repayments of amounts outstanding under the Yorkville Promissory Notes, with each monthly repayment to be in an amount equal to the sum of (x) \$1,000,000, plus (y) 10% in respect of such amount, and (z) all outstanding accrued and unpaid interest as of each payment date.

During January 2024, the Company’s stock price per share fell below the then in effect Floor Price (as defined in the Standby Equity Purchase Agreement disclosure in Note 15) of \$2.00 for five trading days during a period of seven consecutive trading days (an Amortization Event under the terms of the December Yorkville Convertible Note agreement), thus triggering amortization payments under the terms of the December Yorkville Convertible Note. On January 24, 2024, Yorkville agreed to waive the Amortization Event trigger, prior to the date upon which any amortization payment would have been required. As discussed in the definitions below, the Floor Price was reset on February 14, 2024, in conjunction with the effective date of the Company’s Registration Statement, at a price of \$14.70 per share of Common Stock, thus curing the Amortization Event condition.

During the three and six months ended June 30, 2024, \$300,000 and \$800,000 of principal under the December Yorkville Convertible Note, respectively, was converted into 20,176 and 35,940 shares of Class A Common stock of the Company, respectively. During the six months ended June 30, 2024, the full principal amount of \$1,000,000 under the February Yorkville Promissory Note was converted into 28,910 Class A Common stock of the Company.

As of June 30, 2024 and December 31, 2023, the principal amount outstanding under the Yorkville Promissory Notes was \$1,950,000 and \$2,000,000, respectively. During the three and six months ended June 30, 2024, the Company recorded interest expense of \$80,760 in connection with the Yorkville Promissory Notes, all of which was related to the Premium Advance.

The Yorkville Promissory Notes are required to be measured at fair value pursuant to ASC 480 *Distinguishing Liabilities from Equity* (“ASC 480”) at the date of issuances and in subsequent reporting periods, due to the variable share-settled feature described above in which, if converted, the value to be received by Yorkville fluctuates based on something other than the fair value of the Company’s common stock. The fair value of the Yorkville Promissory Notes as of June 30, 2024 and December 31, 2023 was \$2,013,000 and \$1,766,000, respectively. The Company used a Monte Carlo simulation model in order to determine the Yorkville Promissory Note’s fair value at December 31, 2023, with the following inputs: the fair value of the Company’s common stock of \$1.88 on December 31, 2023, estimated equity volatility of 71%, the time to maturity of 0.46 years, a discounted market interest rate of 14%, a risk free rate of 5.28%, and probability of optional redemption 10.0%.

During the three and six months ended June 30, 2024, the Company recorded a loss of \$34,000 and \$578,000, respectively, related to the change in fair value of the Yorkville Promissory Notes liability, respectively. The Company used Monte Carlo simulation models in order to determine the Yorkville Promissory Note’s fair value at June 30, 2024, with the following inputs: the fair value of the Company’s common stock of \$0.17 on June 30, 2024, estimated equity volatility of 125%, the time to maturity of 0.24 years, a discounted market interest rate of 20.6%, a risk free rate of 5.48%, and probability of optional redemption 75.0%.

#### ***Term and Convertible Notes (CP BF)***

During 2021, the Company entered into a loan agreement with CP BF Lending, LLC (“CP BF”) comprised of a Term Note and a Convertible Note. The Term Note bears cash interest at a rate of 14% per annum paid monthly and accrued interest payable-in-kind (“PIK”) cumulatively at 1.5% per annum. The outstanding principal balance of the Term Note together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on February 19, 2025 (“Loan Maturity Date”). The Convertible Note accrues PIK interest cumulatively at a rate of 15.5% per annum, and is convertible into Class A Common Stock upon Qualified Financing (as defined in the agreement), upon a Change of Control (as defined in the agreement), upon Prepayment, or at Maturity at a fixed conversion price. If not sooner converted or prepaid, the Convertible Note principal together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on the Loan Maturity Date.

For all respective periods presented, the Company was not in compliance with the Minimum Gross Profit Margin covenant in section 7.14.1 of the Loan Agreement, the Minimum ARR Growth covenant in section 7.14.2 of the Loan Agreement, and the Fixed Charge Coverage Ratio covenant in section 7.14.3 of the Loan Agreement. As a result of the Company’s noncompliance with the financial covenants, the entire principal amount and all unpaid and accrued interest will be classified as current on the Company’s consolidated balance sheets.

The effective interest rate for the Term Note was 16% for three and six months ended June 30, 2024 and 2023. For the three and six months ended June 30, 2024, interest expense on the Term Note totaled \$294,613 and \$586,940, respectively, comprised of \$267,359 and \$533,707, respectively, of contractual interest and \$27,254 and \$53,233, respectively, for the amortization of the discount. For the three and six months ended June 30, 2023, interest expense on the Term Note totaled \$284,097 and \$562,261, respectively, comprised of \$264,320 and \$523,763, respectively, of contractual interest and \$19,777 and \$38,498 respectively, for the amortization of the discount.

The effective interest rate for the CP BF Convertible Note and First Amendment Convertible Note was 16% for the three and six months ended June 30, 2024 and 2023. For the three and six months ended June 30, 2024, interest expense on the Convertible Notes totaled \$121,448 and \$237,859, respectively, comprised of \$112,908 and \$221,504, respectively, of contractual interest and \$8,540 and \$16,355, respectively, for the amortization of the discount. For the three and six months ended June 30, 2023, interest expense on the Convertible Notes totaled \$101,719 and \$200,151, respectively, comprised of \$95,534 and \$187,394, respectively, of contractual interest and \$6,185 and \$12,757, respectively, for the amortization of the discount.

The Company utilizes a combination of scenario-based methods and Black-Scholes option pricing models to determine the average share count outstanding at conversion and the simulated price per share for the Company as of the valuation date. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

The following table presents the CP BF convertible notes as of June 30, 2024:

Face value of the CB BF convertible notes	\$	1,821,345
Debt discount, net		(26,757)
Carrying value of the CB BF convertible notes		<u>1,794,588</u>
Accrued interest		1,135,983
Total CB BF convertible notes and accrued interest	\$	<u><u>2,930,571</u></u>

The following table presents the CP BF convertible notes as of December 31, 2023:

Face value of the CB BF convertible notes	\$	1,821,345
Debt discount, net		(41,983)
Carrying value of the CB BF convertible notes		<u>1,779,362</u>
Accrued interest		914,479
Total CB BF convertible notes and accrued interest	\$	<u><u>2,693,841</u></u>

The following table presents the CP BF term note as of June 30, 2024:

Face value of the CB BF term note	\$	6,500,000
Debt discount, net		(76,353)
Carrying value of the CB BF term note		<u>6,423,647</u>
Accrued interest		664,562
Total CB BF term note and accrued interest	\$	<u><u>7,088,209</u></u>

The following table presents the CP BF term note as of December 31, 2023:

Face value of the CB BF term note	\$	6,500,000
Debt discount, net		(129,586)
Carrying value of the CB BF term note		<u>6,370,414</u>
Accrued interest		289,373
Total CB BF term note and accrued interest	\$	<u><u>6,659,787</u></u>

## 12. Warrant Liabilities

### *Public Warrants*

The Company assumed 230,000 Public Warrants in the Merger which remained outstanding as of June 30, 2024. The Public Warrants have an exercise price of \$575.00 per share, subject to adjustments, and will expire five years from the Merger Closing Date. The exercise price and number of shares of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend, or recapitalization, reorganization, merger or consolidation.

The Company will not be obligated to deliver any shares of Class A Common Stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A Common Stock underlying the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company's satisfying its obligations described below with respect to registration, or a valid exemption from registration is available. No Public Warrant will be exercisable and the Company will not be obligated to issue a share of Class A Common Stock upon exercise of a Public Warrant unless the shares of Class A Common Stock issuable upon such Public Warrant exercise has been registered, qualified, or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Public Warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Public Warrant, the holder of such Public Warrant will not be entitled to exercise such Public Warrant and such Public Warrant may have no value and expire worthless. In no event will the Company be required to net cash settle any Public Warrant. The Resale Registration statement went effective on February 14, 2024. As the Resale Registration Statement was declared effective within the contractual 60-day term upon closing of the Merger, no "cashless basis" exercises were triggered during the period ended June 30, 2024.

*Redemption of Public Warrants When the price per Share of Class A Common Stock Equals or Exceeds \$900.00*

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon a minimum of 30 days' prior written notice of redemption (the "30-day redemption period"); and
- if, and only if, the closing price per share of Class A Common Stock equals or exceeds \$900.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading "- Warrants—Public Stockholder Warrants—Anti-dilution Adjustments") for any 20 trading days within a 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders.

The Company will not redeem the Public Warrants as described above unless a registration statement under the Securities Act covering the issuance of shares of Class A Common Stock issuable upon exercise of the Public Warrants is then effective and a current prospectus relating to those shares of Class A Common Stock is available throughout the 30-day redemption period. If and when the Public Warrants become redeemable by the Company, the Company may not exercise its redemption right if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

The Company has established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Public Warrant exercise price. If the foregoing conditions are satisfied and the Company issues a notice of redemption of the Public Warrants, each warrant holder will be entitled to exercise his, her or its Public Warrant prior to the scheduled redemption date. However, the price per share of Class A Common Stock may fall below the \$900.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading "-Warrants—Public Stockholder Warrants—Anti-dilution Adjustments") as well as the \$575.00 (for whole shares) Public Warrant exercise price after the redemption notice is issued.

No fractional shares of Class A Common Stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, the Company will round down to the nearest whole number of the number of shares of Class A Common Stock to be issued to the holder.

*GEM Financing Arrangement*

In association with the GEM Letter, see *Note 11 - Debt* for further details, at Closing, the GEM Warrant automatically became an obligation of the Company, and on December 15, 2023, the Company issued the GEM Warrant granting GEM the right to purchase 16,571 shares at an exercise price of \$324.50 per share. The exercise price will be adjusted to 105% of the then-current exercise price if on the one-year anniversary date of the Effective Time, the GEM Warrant has not been exercised in full and the average closing price per share of Class A Common Stock for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026. The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of shares of Class A Common Stock for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of New Banzai Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of common stock, or securities convertible into or exercisable or exchange for, shares of common stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such common stock or other securities. In the event of a Change of Control, if the Surviving Corporation does not have registered class of equity securities and common shares listed on a U.S. national securities exchange, then the Holder is entitled to receive one percent of the total consideration received by the Company's stockholders and the GEM Warrants will expire upon payment.



The Warrants were not considered indexed to the issuer's stock pursuant to ASC 815, as the holder's ability to receive in lieu of the Warrant one percent of the total consideration received by the Company's stockholders in connection with a Change of Control, where the surviving corporation is not publicly traded, adjusts the settlement value based on items outside the Company's control in violation of the fixed-for-fixed option pricing model. As such, the Company recorded the Warrants as liabilities initially measured at fair value with subsequent changes in fair value recognized in earnings each reporting period.

The measurement of fair value was determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion). As of June 30, 2024 and December 31, 2023, the fair value of the Warrants, as determined by the Monte Carlo simulation option pricing model, were \$79,000 and \$641,000, respectively.

If the per share market value of one share of Class A Common Stock is greater than the then-current exercise price, then GEM will have the option to exercise the GEM Warrant on a cashless basis and receive a number of shares of Class A Common Stock equal to (x) the number of shares of Class A Common Stock purchasable upon exercise of all of the GEM Warrant or, if only a portion of the GEM Warrant is being exercised, the portion of the GEM Warrant being exercised, less (y) the product of the then-current exercise price and the number of shares of Class A Common Stock purchasable upon exercise of all of the GEM Warrant or, if only a portion of the GEM Warrant is being exercised, the portion of the GEM Warrant being exercised, divided by the per share market value of one share of Class A Common Stock.

The GEM Warrant may not be exercised if such exercise would result in the beneficial ownership of the holder and its affiliates in excess of 9.99% of the then-issued and outstanding shares of Common Stock.

### **13. Simple Agreements for Future Equity**

#### *Simple Agreements for Future Equity - Related Party*

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements with related parties Alco, DNX and William Bryant (See *Note 11 - Debt*, for a description of the related party relationship with these entities) (the "Related Party SAFEs") pursuant to which the Company received gross proceeds in the amount of \$3,567,000. In the event of an Equity Financing (as defined in the SAFEs agreements), the Related Party SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the Related Party SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The Related Party SAFEs were recorded as a liability in accordance with the applicable accounting guidance as they are redeemable for cash upon contingent events that are outside of the Company's control. The initial fair value of the Related Party SAFE liability was \$3,567,000. Subsequent changes in fair value at each reporting period are recognized in the consolidated statement of operations. For the three and six months ended June 30, 2023, the Company recognized a loss of \$909,418 and \$1,212,557 for the change in fair value of the Related Party SAFE liability, respectively.

The Company utilizes a combination of scenario-based methods and Monte Carlo simulation to determine the fair value of the Related Party SAFE liability as of the valuation dates. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

On December 14, 2023, all outstanding principal related to the Related Party SAFEs at a carrying value of \$6,049,766 converted into 11,039 shares the Company's Class A Common Stock pursuant to the close of the Merger Agreement and application of the exchange ratio.

#### *Simple Agreements for Future Equity - Third Party*

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements with third party investors (the "Third Party SAFEs") pursuant to which the Company received gross proceeds in the amount of \$269,000. In the event of an Equity Financing (as defined in the SAFEs agreements), the Third Party SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the Third Party SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The Third Party SAFEs were recorded as a liability in accordance with the applicable accounting guidance as they are redeemable for cash upon contingent events that are outside of the Company's control. The initial fair value of the Third Party SAFE liability was \$269,000. Subsequent changes in fair value at each reporting period are recognized in the Consolidated Statement of Operations. For the three and six months ended June 30, 2023, the Company recognized a loss of \$68,582 and \$91,443 for the change in fair value of the Third Party SAFE liability.

The Company utilizes a combination of scenario-based methods and Monte Carlo simulation to determine the fair value of the Third Party SAFE liability as of the valuation dates. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

On December 14, 2023, all outstanding principal related to the Third Party SAFEs at a carrying value of \$456,234 converted into 833 shares the Company's Class A Common Stock pursuant to the close of the Merger Agreement and application of the exchange ratio.

#### 14. Commitments and Contingencies

##### Leases

The Company has operating leases for its real estate across multiple states. The operating leases have remaining lease terms of approximately 0.26 years as of June 30, 2024 and consist primarily of office space.

The lease agreements generally do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach to derive an appropriate incremental borrowing rate to discount remaining lease payments.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. There are no material residual guarantees associated with any of the Company's leases, and there are no significant restrictions or covenants included in the Company's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space. The Company has not entered into any lease arrangements with related parties.

The Company's existing leases contain escalation clauses and renewal options. The Company is not reasonably certain that renewal options will be exercised upon expiration of the initial terms of its existing leases.

The Company entered into a sublease which it has identified as an operating lease prior to the adoption of ASC 842 *Leases*. The Company remains the primary obligor to the head lease lessor, making rental payments directly to the lessor and separately billing the sublessee. The sublease is subordinate to the master lease, and the sublessee must comply with all applicable terms of the master lease. The Company subleased the real estate to a third-party at a monthly rental payment amount that was less than the monthly cost that it pays on the headlease with the lessor.

The components of lease expense for the three months ended June 30, 2024 and 2023, are as follows:

Components of lease expense:	For the Three Months Ended June 30,	
	2024	2023
Operating lease cost	\$ 46,140	\$ 50,440
Sublease income	(52,542)	(51,082)
Total lease (income) cost	\$ (6,402)	\$ (642)

The components of lease expense for the six months ended June 30, 2024 and 2023, are as follows:

Components of lease expense:	For the Six Months Ended June 30,	
	2024	2023
Operating lease cost	\$ 93,384	\$ 101,888
Sublease income	(105,084)	(102,165)
Total lease (income) cost	\$ (11,700)	\$ (277)

Supplemental cash flow information related to leases are as follows:

Supplemental cash flow information:	For the Six Months Ended June 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Non-cash lease expense (operating cash flow)	\$ 87,579	\$ 86,320
Change in lease liabilities (operating cash flow)	(152,335)	(138,804)

Supplemental balance sheet information related to leases was as follows:

<b>Operating leases:</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Operating lease right-of-use assets	\$ 46,434	\$ 134,013
Operating lease liability, current	81,708	234,043
<b>Total operating lease liabilities</b>	<b>\$ 81,708</b>	<b>\$ 234,043</b>
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Weighted-average remaining lease term:</b>		
Operating leases (in years)	0.26	0.76
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Weighted-average discount rate:</b>		
Operating leases	6.83%	6.76%

Future minimum lease payments under non-cancellable lease as of June 30, 2024, are as follows:

<b>Maturities of lease liabilities:</b>	
Year Ending December 31,	
Remainder of 2024	\$ 82,679
<b>Total undiscounted cash flows</b>	<b>82,679</b>
Less discounting	(971)
<b>Present value of lease liabilities</b>	<b>\$ 81,708</b>

### ***Cantor Fee Agreement***

In connection with the Merger, 7GC previously agreed to pay Cantor Fitzgerald & Co. (“Cantor” or “CF&CO”) an Original Deferred Fee of \$8,050,000 as deferred underwriting commissions. On November 8, 2023, Cantor and 7GC entered into a Fee Reduction Agreement, pursuant to which Cantor agreed to forfeit \$4,050,000 of the \$8,050,000 Original Deferred Fee, with the remaining \$4,000,000 Reduced Deferred Fee payable by Banzai to Cantor following the Closing of the Merger.

Pursuant to the Fee Reduction Agreement, the Company agreed to use its reasonable best efforts to have the registration statement declared effective by the SEC by the 120th calendar day after December 29, 2023, the date of the initial filing thereof, and to maintain the effectiveness of such registration statement until the earliest to occur of (i) the second anniversary of the date of the effectiveness thereof, (ii) the Cantor Fee Shares shall have been sold, transferred, disposed of or exchanged by Cantor, and (iii) the Cantor Fee Shares issued to Cantor may be sold without registration pursuant to Rule 144 under the Securities Act (such obligations, the “Cantor Registration Rights Obligations”).

Although the Company issued the Cantor Fee Shares, as of June 30, 2024, the Company has not satisfied its Cantor Registration Rights Obligations. As such, the Company cannot conclude that it has settled its outstanding obligations to Cantor. Therefore, neither criteria under ASC 405 for extinguishment and derecognition of the liability were satisfied and the \$4,000,000 Reduced Deferred Fee remained outstanding as a current liability on the Company’s June 30, 2024 condensed consolidated balance sheet.

At each interim and annual period after December 31, 2023, the Company will monitor its compliance with the Cantor Registration Rights Obligations to determine whether the entire amount of the Reduced Deferred Fee has become due and payable in cash, or the Company’s obligations have been satisfied and the remaining liability should be derecognized. At such time as the Company’s obligations under the Fee Reduction Agreement have been satisfied the relief of the liability will be recorded through equity.

### ***Roth Addendum to Letter Agreements***

On October 13, 2022, Roth Capital Partners, LLC (“Roth”) and Legacy Banzai entered into the Roth Engagement Letter, pursuant to which Legacy Banzai engaged Roth as a financial advisor in connection with the Merger and, on October 14, 2022, MKM and 7GC entered into the MKM Engagement Letter, pursuant to which 7GC engaged MKM as a financial advisor in connection with the Merger. In February 2023, Roth acquired MKM. On December 8, 2023, the Company received an invoice from Roth for an advisory fee in the amount of \$1,100,000 as well as transaction expenses reimbursable to Roth amounting to \$6,813. As of December 31, 2023, the Company recorded a liability for the total advisory fee of \$1,106,813 to accrued expenses.

On February 2, 2024, the Company and Roth entered into an addendum to (i) the engagement letter, dated October 13, 2022, by and between Roth and Legacy Banzai, and (ii) the engagement letter, dated October 14, 2022, by and between Roth (as successor to MKM Partners, LLC) and 7GC (such engagement agreements, collectively, the “Roth Engagement Agreements,” and such addendum, the “Roth Addendum”). Pursuant to the Roth Addendum, in lieu of payment in cash of the full amount of any advisory fees or other fees or expenses, incurred in 2024, and owed under the Roth Engagement Agreements (collectively, the “Roth Fee”), the Company (i) issued to Roth 3,500 shares (the “Roth Shares”) of the Company’s Class A Common Stock on February 2, 2024, and (ii) on or before June 30, 2024, will pay to Roth an amount in cash equal to \$300,000 or, if the Company determines that such payment should not be made in cash due to the Company’s cash position at such time, issue to Roth a number of shares of Class A Common Stock equal to \$300,000 divided by the daily VWAP for the trading day immediately preceding June 30, 2024 (any such shares, the “Additional Roth Shares”). The Company registered the Roth Shares and 12,000 shares of Class A Common Stock (in addition to the Roth Shares) on a registration statement to cover any issuances of Additional Roth Shares (which may be more or less than 12,000) that may occur pursuant to the Roth Addendum. This registration statement became effective on February 14, 2024. The \$300,000 cash payment has not yet been made as of the date of filing of these condensed consolidated financial statements.

On February 2, 2024, the Company issued the 3,500 Roth Shares with a fair value of \$278,833 on the date of issuance. As neither the remaining \$300,000 cash payment, nor any Additional Roth Shares had been paid or issued to Roth, as of June 30, 2024, \$300,000 will remain as an accrued expense on the Company’s condensed consolidated balance sheet, payable to Roth on or before June 30, 2024. Therefore, the 3,500 shares are determined to settle \$806,813 of the obligation recognized as of December 31, 2023, resulting in gain of \$577,513 that has been recognized as a gain on extinguishment of liability on the Company’s condensed consolidated statement of operations.

### ***Legal Matters***

In the regular course of business affairs and operations, the Company is subject to possible loss contingencies arising from third-party litigation and federal, state, and local environmental, labor, health and safety laws and regulations. The Company assesses the probability that they may incur a liability in connection with certain of these lawsuits. The Company’s assessments are made in accordance with generally accepted accounting principles, as codified in ASC 450-20, and is not an admission of any liability on the part of the Company or any of its subsidiaries. In certain cases that are in the early stages and in light of the uncertainties surrounding them, the Company does not currently possess sufficient information to determine a range of reasonably possible liability.

## **15. Equity**

### ***Class A and B Common Stock***

The Company is authorized to issue up to 275,000,000 shares, consisting of 25,000,000 Class A Common Stock, and 25,000,000 shares of Class B Common Stock par value \$0.0001 per share.

As discussed in *Note 4 - Reverse Merger Capitalization with 7GC & Co. Holdings Inc.*, the Company has retroactively adjusted the shares issued and outstanding prior to December 14, 2023 to give effect to the Exchange Ratio to determine the number of shares of Company Common Stock into which they were converted.

The Class A Common Stock and Class B Common Stock entitle their holders to one vote per share and ten votes per share, respectively, on each matter properly submitted to the stockholders entitled to vote thereon. The holders of shares of Common Stock shall be entitled to receive dividends declared by the Board of Directors, on a pro rata basis based on the number of shares of Common Stock held by each such holder, assuming conversion of all Class B Common Stock into Class A Common Stock at a one to one conversion ratio.

There were 3,003,810 shares (692,676 Class A common stock and 2,311,134 Class B common stock) issued and outstanding at June 30, 2024 and 2,585,296 shares (274,162 Class A common stock and 2,311,134 Class B common stock) issued and outstanding at December 31, 2023.

### ***May 22, 2024 Equity Financing***

On May 22, 2024, Banzai entered into a securities purchase agreement with accredited investors, providing for the issuance and sale of 104,556 shares of the Company’s Class A common stock (“Common Stock”) 173,222 pre-funded warrants (the “Pre-Funded Warrants”), and 277,778 common warrants (the “Common Warrants”) in a registered direct offering priced at-the-market under Nasdaq rules for a purchase price of \$9.00 per share (the “May 2024 Offering”). The Common Warrants have an exercise price of \$9.00 per share and the Pre-Funded Warrants have an exercise price of \$0.0050 per share, are initially exercisable immediately on the date of issuance (the “Initial Exercise Date”). The Common Warrants expire five years from the Initial Exercise Date while the Pre-Funded Warrants do not expire. The aggregate gross proceeds to the Company from the May 2024 Offering were approximately \$2.5 million. The Company used the net proceeds from the May 2024 Offering for working capital and general corporate purposes. The closing of the sale of these securities occurred on May 28, 2024. The securities were issued pursuant to the Company’s registration statement on Form S-1/A filed with the SEC on May 16, 2024 (File No. 333-278871) and became effective on May 21, 2024. As of June 30, 2024 all Pre-Funded warrants were exercised.

A.G.P./Alliance Global Partners (“AGP”) acted as placement agent for the May 2024 Offering, pursuant to a placement agency agreement, dated May 22, 2024, between the Company and AGP (the “Placement Agency Agreement”). Under the Placement Agency Agreement, AGP received a fee in the form of (a) a cash fee equal to 7.0% of the aggregate purchase price paid by each purchaser of securities that were sold in the May 2024 Offering (the “Cash Fee”); provided, however, that the Cash Fee was reduced by an amount equal to \$25,000 to be paid to the Company’s financial advisor, and (b) warrants (the “Placement Agent Warrants”) to purchase Class A Common Stock equal to 6% of the aggregate number of shares of Class A Common Stock sold in the May 2024 Offering at an exercise price per share equal to 110% of the price per share of Class A Common Stock sold in the May 2024 Offering. The Company recognized the Placement Agent Warrants as a stock issuance cost as they are issued for services in connection with an offering.

The Company additionally incurred approximately \$409,000 of legal fees associated with the May 2024 Offering which is recognized as a stock issuance cost and reflected as a reduction within additional paid-in capital.

#### *May 22, 2024 Common Warrants*

As discussed above, on May 22, 2024, in conjunction with the issuance and sale of 104,556 shares of the Company’s Class A common stock, the Company issued 277,778 Common Warrants which did not meet the definition of a liability pursuant to ASC 480 and met all of the requirements for equity classification under ASC 815 as such were classified in stockholder’s equity. The measurement of fair value of the Common Warrants were determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of \$9.00, exercise price of \$9.00, term of five years, volatility of 87%, risk-free rate of 4.6%, and expected dividend rate of 0%). The relative fair value of these Common Warrants, net of issuance costs, on date of issuance was estimated to be approximately \$722,000 and is reflected within additional paid-in capital.

#### *May 22, 2024 Pre-Funded Warrants*

As discussed above, on May 22, 2024, in conjunction with the issuance and sale of 104,556 shares of the Company’s Class A common stock, the Company issued 173,222 Pre-Funded Warrants which did not meet the definition of a liability pursuant to ASC 480 and met all of the requirements for equity classification under ASC 815 as such were classified in stockholder’s equity. The measurement of fair value of the Pre-Funded Warrants were determined as the intrinsic value calculated as the common stock price on the issuance date minus the exercise price. The relative fair value of these Pre-Funded Warrants, net of issuance costs, on date of issuance was estimated to be approximately \$660,000 and is reflected within additional paid-in capital. On May 28, 2024 the Pre-Funded warrants were exercised.

#### *May 22, 2024 Placement Agent Warrants*

As discussed above, on May 22, 2024, in conjunction with the issuance and sale of 104,556 shares of the Company’s Class A common stock and Pre-Funded Warrants, the Company issued 16,667 Placement Agent Warrants. As the Placement Agent Warrants were issued for services provided in facilitating the May 2024 Offering, the Company recorded the fair value of such Placement Agent Warrants of approximately \$100,000 as a cost of capital on the issuance date. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of \$9.00, exercise price of \$9.00, term of five years, volatility of 87%, risk-free rate of 4.6%, and expected dividend rate of 0%).

#### ***Preferred Stock***

The Company is authorized to issue 75,000,000 shares of preferred stock with a par value of \$0.0001 per share. The board of directors of the Company (the “Board”) has the authority to issue preferred stock and to determine the rights, privileges, preferences, restrictions, and voting rights of those shares. As of June 30, 2024 and December 31, 2023, no shares of preferred stock were outstanding.

#### ***Yorkville Standby Equity Purchase Agreement (“SEPA”)***

On December 14, 2023, the Company entered into the SEPA with YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP (“Yorkville”) in connection with the Merger. Pursuant to the SEPA, subject to certain conditions, the Company shall have the option, but not the obligation, to sell to Yorkville, and Yorkville shall subscribe for, an aggregate amount of up to up to \$100,000,000 of the Company’s shares of Class A common stock, par value \$0.0001 per share, at the Company’s request any time during the commitment period commencing on December 14, 2023 and terminating on the 36-month anniversary of the SEPA (the “SEPA Option”).

Each advance (each, an “Advance”) the Company requests under the SEPA (notice of such request, an “Advance Notice”) may be for a number of shares of Class A common stock up to the greater of (i) 10,000 shares or (ii) such amount as is equal to 100% of the average daily volume traded of the Class A common stock during the five trading days immediately prior to the date the Company requests each Advance; provided, in no event shall the number of shares of Class A common stock issued cause the aggregate shares of Class A common stock held by Yorkville and its affiliates as of any such date to exceed 9.99% of the total number of shares of Class A common stock outstanding as of the date of the Advance Notice (less any such shares held by Yorkville and its affiliates as of such date) (the “Exchange Cap”). The shares would be purchased, at the Company’s election, at a purchase price equal to either:

- (i) 95% of the average daily Volume Weighted Average Price (“VWAP”) of the Class A Common Stock on the Nasdaq Stock Market (“Nasdaq”), subject to certain conditions per the SEPA (the “Option 1 Pricing Period; or
- (ii) 96% of the lowest daily VWAP of the Class A Common Stock during the three trading days commencing on the Advance Notice date, subject to certain conditions per the SEPA (the “Option 2 Pricing Period”).

Any purchase under an Advance would be subject to certain limitations, including that Yorkville shall not purchase or acquire any shares that would result in it and its affiliates beneficially owning more than 9.99% of the then outstanding voting power or number of shares of Class A common stock or any shares that, aggregated with shares issued under all other earlier Advances, would exceed 19.99% of all shares of Class A common stock and Class B common stock of the Company, par value \$0.0001 per share, outstanding on the date of the SEPA, unless Company securityholder approval was obtained allowing for issuances in excess of such amount.

The SEPA Option was determined to be a freestanding financial instrument which did not meet the criteria to be accounted for as a derivative instrument or to be recognized within equity. Pursuant to ASC 815 *Derivatives and Hedging* (“ASC 815”), the Company will therefore recognize the SEPA Option as an asset or liability, measured at fair value at the date of issuance, December 14, 2023, and in subsequent reporting periods, with changes in fair value recognized in earnings. The SEPA Option was determined to have a fair value of \$0 on the date of issuance as well as at December 31, 2023 and June 30, 2024.

In connection with the execution of the SEPA, the Company agreed to pay a commitment fee of \$500,000 to Yorkville at the earlier of (i) March 14, 2024 or (ii) the termination of the SEPA, which will be payable, at the option of the Company, in cash or shares of Class A common stock through an Advance (the “Deferred Fee”). In March 2024 the Company issued 14,201 Class A common stock as payment for the Deferred Fee.

Pursuant to the terms of the SEPA, at any time that there is a balance outstanding under the Yorkville Promissory Notes, Yorkville has the right to receive shares to pay down the principal balance, and may select the timing and delivery of such shares (via an “Investor Notice”), in an amount up to the outstanding principal balance on the Yorkville Promissory Notes at a purchase price equal to the lower of (i) \$500.00 per share of Class A common stock (the “Fixed Price”), or (ii) 90% of the lowest daily Volume Weighted Average Price (“VWAP”) of the Class A common stock on Nasdaq during the 10 consecutive Trading Days immediately preceding the Investor Notice date or other date of determination (the “Variable Price”). The Variable Price shall not be lower than \$100.00 per share (the “Floor Price”). The Floor Price shall be adjusted (downwards only) to equal 20% of the average VWAP for the five trading days immediately prior to the date of effectiveness of the initial Registration Statement. Notwithstanding the foregoing, the Company may reduce the Floor Price to any amount via written notice to Yorkville, provided that such amount is no more than 75% of the closing price on the Trading Day immediately prior to the time of such reduction and no greater than \$100.00 per share of Class A common stock (the “Conversion Price”). At any time that there is a balance outstanding under the Yorkville Promissory Notes, the Company is not permitted to issue Advance Notices under the SEPA unless an Amortization Event has occurred under the terms of the Yorkville Promissory Notes agreement.

There were no Advance Notices issued pursuant to the SEPA during the period ended June 30, 2024 or as of the date that these financial statements were issued, apart from the Premium Advance which was issued pursuant to the terms of the Amended Debt Agreement (see *Note 11 - Debt*)

## 16. Stock-Based Compensation

During 2023, the Company adopted the 2023 Employee Stock Purchase Plan (the “Purchase Plan”). The Purchase Plan permits eligible employees of the Company and certain designated companies as determined by the Board of Directors, to purchase shares of the Company’s Common Stock. The aggregate number of shares of common stock that may be purchased pursuant to the Purchase Plan is equal to 2% of the fully diluted common stock determined at the Close of the Merger Agreement, determined to be 11,443. In addition, the aggregate number of shares of common stock that remain available to be awarded under the Purchase Plan, will automatically increase on January 1 of each year for a period of 10 years commencing on January 1, 2024 and ending on January 1, 2033, in an amount equal to the lesser of one percent (1%) of the total number of shares of the fully diluted common stock determined as of December 31 of the preceding year, or a number of shares of common stock equal to two hundred percent (200%) of the initial share reserve of 11,443. As of June 30, 2024 and December 31, 2023, 11,443 shares of common stock remain available to be purchased under the Purchase Plan, respectively.

During 2023, the Company adopted the 2023 Equity Incentive Plan (the “Plan”). The Plan permits the granting of incentive stock options, nonstatutory stock options, SARs, restricted stock awards, RSU awards, performance awards, and other awards. to employees, directors, and consultants. The aggregate number of shares of common stock that may be issued will not exceed approximately 12.5% of the fully diluted common stock determined at the Close of the Merger, determined to be 71,522. In addition, the aggregate number of shares of common stock that remain available to be awarded under the Plan, will automatically increase on January 1 of each year for a period of ten years commencing on January 1, 2024 and ending on January 1, 2033, in an amount equal to 5% of the total number of shares of the fully diluted common stock determined as of the day prior to such increase. The aggregate maximum number of shares of common stock that may be issued pursuant to the exercise of incentive stock options is approximately three times the total number of shares of common stock initially reserved for issuance, which were 71,522. As of June 30, 2024 and December 31, 2023, 35,276 and 71,522 stock options remain available to be awarded under the Plan, respectively.

The Company accounts for stock-based payments pursuant to ASC 718 *Stock Compensation* and, accordingly, the Company records compensation expense for stock-based awards based upon an assessment of the grant date fair value for options using the Black-Scholes option pricing model. The Company has concluded that its historical share option exercise experience does not provide a reasonable basis upon which to estimate expected term. Therefore, the expected term was determined according to the simplified method, which is the average of the vesting tranche dates and the contractual term. Due to the lack of company specific historical and implied volatility data, the estimate of expected volatility is primarily based on the historical volatility of a group of similar companies that are publicly traded. For these analyses, companies with comparable characteristics were selected, including enterprise value and position within the industry, and with historical share price information sufficient to meet the expected life of the share-based awards. The Company computes the historical volatility data using the daily closing prices for the selected companies’ shares during the equivalent periods of the calculated expected term of its share-based awards. The risk-free interest rate is determined by reference to the U.S. Treasury zero-coupon issues with remaining maturities similar to the expected term of the options. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table summarizes assumptions used to compute the fair value of options granted:

	June 30, 2024	June 30, 2023
Stock price	\$0.29 - 0.61	\$8.22 - 9.56
Exercise price	\$0.29 - 5.00	\$ 11.98
Expected volatility	75.00 - 85.00%	80.00 - 99.03%
Expected term (in years)	5.75 - 10.00	5.25 - 6.08
Risk-free interest rate	4.20 - 4.50%	3.46 - 4.31%

A summary of stock option activity under the Plan is as follows:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Intrinsic Value
Outstanding at December 31, 2023	14,962	\$ 293.50	8.43	\$ 103,662
Granted	27,970	145.70	9.87	
Exercised	—	—		
Expired	—	—		
Forfeited	(9,283)	239.11		
Outstanding at June 30, 2024	33,649	\$ 185.69	9.17	\$ 1,807
Exercisable at June 30, 2024	8,675	\$ 248.23	8.34	\$ 1,807

In connection with issuances under the Plan, the Company recorded stock-based compensation expense of \$457,231 and \$620,987, which is included in general and administrative expense for the six months ended June 30, 2024 and 2023, respectively. The weighted-average grant-date fair value per option granted during the six months ended June 30, 2024 and 2023 was \$8.60 and \$426.61, respectively. As of June 30, 2024 and 2023, \$1,262,655 and \$2,575,808 of unrecognized compensation expense related to non-vested awards is expected to be recognized over the weighted average period of 3.80 and 2.97 years, respectively. The aggregate intrinsic value is calculated as the difference between the fair value of the Company’s stock price and the exercise price of the options.

#### **RSUs**

During the three and six months ended June 30, 2024, the Company began issuing RSUs to employees and to non-employee directors. Each RSU entitles the recipient to one share of Class A Common Stock upon vesting. We measure the fair value of RSUs using the stock price on the date of grant. Stock-based compensation expense for employee-granted RSUs is recorded ratably over their vesting period of four years. 25% of the RSUs will vest on each anniversary of the vesting commencement date until the RSU is fully vested. Stock-based compensation expense for non-employee director-granted RSUs is recorded ratably over their vesting period which is the earlier to occur of the one (1) year anniversary of the respective grant date, or the next annual meeting of stockholders following the respective grant date.

A summary of the activity with respect to, and status of, RSUs during the six months ended June 30, 2024 is presented below:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	—	\$ —
Granted	17,851	26.64
Vested	—	—
Forfeited	(293)	14.65
Outstanding at June 30, 2024	<u>17,558</u>	<u>\$ 26.84</u>

For the six months ended June 30, 2024, the Company recorded stock-based compensation expense of \$208,178 which is included in general and administrative expense for the six months ended June 30, 2024. As of June 30, 2024, unrecognized compensation cost related to the grant of RSUs was \$263,144. Unvested outstanding RSUs as of June 30, 2024 had a weighted average remaining vesting period of 1.3 years.

#### 17. Income Taxes

The Company estimates an annual effective tax rate of 0% for the year ended December 31, 2024 as the Company incurred losses for the three and six month period ended June 30, 2024 and is forecasting an estimated net loss for both financial statement and tax purposes for the year ended December 31, 2024. Therefore, no federal or state income taxes are expected and none have been recorded at this time. Income taxes have been accounted for using the liability method in accordance with FASB ASC 740.

Due to the Company's history of losses since inception, there is not enough evidence at this time to support that the Company will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since the Company cannot currently support that realization of its deferred tax assets is more likely than not.

At June 30, 2024, the Company had no unrecognized tax benefits that would reduce the Company's effective tax rate if recognized.

#### 18. Subsequent Events

On July 5, 2024, the Company issued 11,765 shares of the Company's Class A common stock to GEM pursuant to the Unsecured Promissory Note, dated February 5, 2024, between the Company and GEM.

On July 22, 2024, the Company entered into a subordinated business loan and security agreement (the "Subordinated Business Loan and Security Agreement") with Agile Lending, LLC and Agile Capital Funding, LLC as the collateral agent. On July 22, 2024 the Company issued a subordinated secured promissory note for an aggregate principal amount of \$787,500 and received \$750,000 of proceeds, net of administrative agent fees \$37,500 to the collateral agent, with a maturity date of February 5, 2025 under the subordinated business loan and security agreement. The loan under the agreement bears interest at a rate of 42%, and will be calculated on a three hundred and sixty (360) day year based on the actual number of days lapsed, and interest shall accrue on the loan commencing on and including the effective date pursuant to the Agreement's weekly repayment and amortization schedule. The collateral under the subordinated business loan and security agreement consists of all of the Company's goods, accounts, equipment, inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, general intangibles (including intellectual property), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other collateral accounts, all certificates of deposit, fixtures, letters of credit rights, securities, and all other investment property, supporting obligations, and financial assets.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of  
Banzai International, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Banzai International, Inc. (the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations, stockholders’ deficit and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

### Explanatory Paragraph—Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

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

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

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

/s/ Marcum LLP  
Marcum LLP

We have served as the Company’s auditor since 2023.

Marlton, NJ, 08053  
April 1, 2024, except for Note 3 as to which the date is September 19, 2024

**BANZAI INTERNATIONAL, INC.**  
**Consolidated Balance Sheets**  
**as of December 31, 2023 and 2022**

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,093,718	\$ 1,023,499
Accounts receivable	110,797	176,276
Less: Allowance for credit losses	(5,748)	(107,860)
Accounts receivable, net	105,049	68,416
Prepaid expenses and other current assets	741,155	333,507
Total current assets	2,939,922	1,425,422
Property and equipment, net	4,644	11,803
Goodwill	2,171,526	2,171,526
Operating lease right-of-use assets	134,013	307,258
Deferred offering costs	-	1,524,934
Other assets	38,381	38,381
Total assets	<u>5,288,486</u>	<u>5,479,324</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	6,439,863	1,100,249
Simple agreement for future equity	-	663,804
Simple agreement for future equity-related party	-	8,802,196
Convertible notes	1,766,000	1,408,826
Convertible notes-related party	2,540,091	3,506,508
Convertible notes (CP BF)	2,693,841	2,276,534
Bifurcated embedded derivative liabilities	-	845,473
Bifurcated embedded derivative liabilities-related party	-	1,936,827
Notes payable	6,659,787	6,494,051
Notes payable-related party	2,505,137	-
Deferred underwriting fees	4,000,000	-
Deferred fee	500,000	-
Warrant liability	641,000	-
Warrant liability-related party	575,000	-
Earnout liability	59,399	289,099
Due to related party	67,118	-
GEM commitment fee liability	2,000,000	-
Deferred revenue	1,214,096	930,436
Operating lease liabilities, current	234,043	284,963
Accrued expenses and other current liabilities	5,194,240	745,373
Total current liabilities	37,089,615	29,284,339
Operating lease liabilities, non-current	-	234,043
Other long-term liabilities	75,000	75,000
Total liabilities	<u>37,164,615</u>	<u>29,593,382</u>
Commitments and contingencies (Note 17)		
Stockholders' deficit:		
Common stock, \$0.0001 par value, 275,000,000 shares (250,000,000 Class A common stock and 25,000,000 Class B common stock) authorized and 2,585,296 shares (274,162 Class A common stock and 2,311,134 Class B common stock) and 3,935,892 shares (51,219 Class A common stock and 3,884,673 Class B common stock) issued and outstanding at December 31, 2023 and December 31, 2022, respectively	259	394
Preferred stock, \$0.0001 par value, 75,000,000 shares authorized, 0 shares issued and outstanding at December 31, 2023 and December 31, 2022	-	-
Additional paid-in capital	14,889,936	8,245,610
Accumulated deficit	(46,766,324)	(32,360,062)
Total stockholders' deficit	<u>(31,876,129)</u>	<u>(24,114,058)</u>
Total liabilities and stockholders' deficit	<u>\$ 5,288,486</u>	<u>\$ 5,479,324</u>

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

**Consolidated Statements of Operations  
for the Years ended December 31, 2023 and 2022**

	For the Years Ended December 31,	
	2023	2022
Operating income:		
Revenue	\$ 4,561,300	\$ 5,332,979
Cost of revenue	1,444,618	1,956,964
Gross profit	3,116,682	3,376,015
Operating expenses:		
General and administrative expenses	12,905,073	9,275,251
Depreciation expense	7,160	9,588
Impairment loss on operating lease	-	303,327
Total operating expenses	12,912,233	9,588,166
Operating loss	(9,795,551)	(6,212,151)
Other expenses (income):		
SEPA commitment fee and deferred fee expense	3,826,176	-
GEM warrant expense	2,448,000	-
GEM commitment fee expense	2,000,000	-
Other income, net	(62,985)	(150,692)
Interest income	(813)	-
Interest expense	2,631,060	1,651,141
Interest expense-related party	2,923,414	728,949
Loss on extinguishment of debt	-	56,653
Change in fair value of warrant liability	(1,807,000)	-
Change in fair value of warrant liability-related party	115,000	-
Loss on modification of simple agreement for future equity	-	120,826
Loss on modification of simple agreement for future equity-related party	-	1,602,174
Change in fair value of simple agreement for future equity	(207,570)	307,569
Change in fair value of simple agreement for future equity-related party	(2,752,430)	4,078,431
Change in fair value of bifurcated embedded derivative liabilities	(1,404,863)	254,443
Change in fair value of bifurcated embedded derivative liabilities-related party	(3,063,278)	606,857
Change in fair value of convertible promissory notes	(34,000)	-
Total other expenses (income), net	4,610,711	9,256,351
Loss before income taxes	(14,406,262)	(15,468,502)
Provision for income taxes	-	-
Net loss	\$ (14,406,262)	\$ (15,468,502)
Net loss per share		
Basic and diluted	\$ (105.10)	\$ (111.83)
Weighted average common shares outstanding		
Basic and diluted	137,074	128,822

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

**BANZAI INTERNATIONAL, INC.**  
**Consolidated Statements of Stockholders' Deficit**  
**for the Years ended December 31, 2023 and 2022**

	Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balance December 31, 2021</b>	2,328,823	\$ 6,318,491	6,359,139	\$ 636	\$ 1,151,525	\$ (16,891,560)	\$ (9,420,908)
Retroactive application of recapitalization	(2,328,823)	(6,318,491)	(2,421,780)	(242)	6,318,737	-	-
Adjusted balance, beginning of period	-	-	3,937,359	394	7,470,258	(16,891,560)	(9,420,908)
Exercise of stock options	-	-	171	-	5,016	-	5,016
Repurchase of shares in High Attendance sale	-	-	(1,638)	-	-	-	-
Stock-based compensation	-	-	-	-	770,336	-	770,336
Net loss	-	-	-	-	-	(15,468,502)	(15,468,502)
<b>Balance December 31, 2022, after giving effect to the recapitalization</b>	-	\$ -	<b>3,935,892</b>	<b>\$ 394</b>	<b>\$ 8,245,610</b>	<b>\$ (32,360,062)</b>	<b>\$ (24,114,058)</b>
Reverse recapitalization (Note 4)	-	-	(1,424,624)	(142)	(17,858,417)	-	(17,858,559)
Conversion of simple agreement for future equity	-	-	833	-	456,234	-	456,234
Conversion of simple agreement for future equity-related party	-	-	11,039	1	6,049,765	-	6,049,766
Conversion of convertible notes	-	-	10,597	1	3,346,231	-	3,346,232
Conversion of convertible notes-related party	-	-	22,929	2	7,271,366	-	7,271,368
Modification of convertible notes payable-related party	-	-	-	-	9,909	-	9,909
Shares issued to Yorkville for aggregate commitment fee	-	-	6,000	1	3,287,999	-	3,288,000
Shares issued under share transfer agreement-related party	-	-	-	-	2,498,965	-	2,498,965
Issuance of Cantor fee shares	-	-	22,279	2	(2)	-	-
Exercise of stock options	-	-	353	-	30,761	-	30,761
Stock-based compensation	-	-	-	-	1,245,796	-	1,245,796
Excise tax	-	-	-	-	305,719	-	305,719
Net loss	-	-	-	-	-	(14,406,262)	(14,406,262)
<b>Balance December 31, 2023</b>	-	\$ -	<b>2,585,296</b>	<b>\$ 259</b>	<b>\$ 14,889,936</b>	<b>\$ (46,766,324)</b>	<b>\$ (31,876,129)</b>

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

**BANZAI INTERNATIONAL, INC.**  
**Consolidated Statements of Cash Flows**  
**for the Years ended December 31, 2023 and 2022**

	For the Years Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (14,406,262)	\$ (15,468,502)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	7,160	9,588
Provision for credit losses on accounts receivable	(102,112)	92,619
Non-cash shares issued to Yorkville for aggregate commitment fee	3,288,000	-
Non-cash issuance of warrants accounted for as liabilities	2,448,000	-
Non-cash GEM commitment fee expense	2,000,000	-
Non-cash interest expense	686,016	854,379
Non-cash interest expense-related party	513,977	55,086
Amortization of debt discount and issuance costs	958,822	235,463
Amortization of debt discount and issuance costs-related party	2,410,735	485,717
Amortization of operating lease right-of-use assets	173,245	152,018
Impairment of operating lease right-of-use assets	-	303,327
Stock based compensation expense	1,245,796	770,336
Loss on extinguishment of debt	-	56,653
Excise tax	305,719	-
Change in fair value of warrant liability	(1,807,000)	-
Change in fair value of warrant liability-related party	115,000	-
Loss on modification of simple agreement for future equity	-	120,826
Loss on modification of simple agreement for future equity-related party	-	1,602,174
Change in fair value of simple agreement for future equity	(207,570)	307,569
Change in fair value of simple agreement for future equity-related party	(2,752,430)	4,078,431
Change in fair value of bifurcated embedded derivative liabilities	(1,404,863)	254,443
Change in fair value of bifurcated embedded derivative liabilities-related party	(3,063,278)	606,857
Change in fair value of convertible promissory notes	(34,000)	-
Changes in operating assets and liabilities:		
Accounts receivable	65,479	(86,308)
Prepaid expenses and other current assets	(407,648)	425,011
Deferred offering costs	(1,708,163)	-
Other assets	-	52,591
Accounts payable	5,339,614	660,844
Due to related party	67,118	-
Deferred revenue	283,660	(129,604)
Accrued expenses and other current liabilities	4,448,867	384,641
Operating lease liabilities	(284,963)	(243,596)
Earnout liability	(229,700)	(710,901)
Deferred fees	500,000	-
Other liabilities	-	(37,837)
Net cash used in operating activities	<u>(1,550,781)</u>	<u>(5,168,175)</u>
Cash flows from investing activities:		
Purchase of property and equipment	-	(10,806)
Net cash used in investing activities	<u>-</u>	<u>(10,806)</u>
Cash flows from financing activities:		
Effect of Merger, net of transaction costs (Note 4)	(7,615,462)	-
Deferred offering costs	-	(1,524,934)
Proceeds from issuance of notes payable, net of issuance costs-related party	4,387,701	-
Proceeds from issuance of convertible notes, net of issuance costs	3,235,000	1,753,558
Proceeds from issuance of convertible notes, net of issuance costs-related party	2,583,000	4,182,290
Proceeds from issuance of common stock	30,761	5,016
Net cash provided by financing activities	<u>2,621,000</u>	<u>4,415,930</u>
Net increase / (decrease) in cash	1,070,219	(763,051)
Cash at beginning of period	1,023,499	1,786,550
Cash at end of period	<u>\$ 2,093,718</u>	<u>\$ 1,023,499</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	955,848	630,454
Cash paid (refund) for taxes	9,862	(4,875)
<i>Non-cash investing and financing activities</i>		
Issuance of Cantor Fee Shares	(111)	-
Modification of convertible notes payable-related party	9,909	-
Shares issued to Yorkville for aggregate commitment fee	3,288,000	-
Shares issued under share transfer agreement-related party	2,498,965	-
Issuance of warrants accounted for as a liability	2,448,000	-
GEM commitment fee	2,000,000	-
Deferred offering costs	(3,233,097)	-
Conversion of simple agreement for future equity	456,234	-
Conversion of simple agreement for future equity-related party	6,049,766	-
Conversion of convertible notes	3,346,232	-
Conversion of convertible notes-related party	7,271,368	-

Convertible note issued in settlement of accrued interest	-	321,345
Convertible note issued in settlement of accrued interest-related party	-	100,538
Debt issuance costs	-	25,896
Bifurcated embedded derivative liabilities at issuance	-	541,223
Bifurcated embedded derivative liabilities at issuance-related party	-	1,292,777
Right-of-use assets obtained in exchange for lease obligations	-	762,603

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

**BANZAI INTERNATIONAL, INC.**  
**Notes to Consolidated Financial Statements**

**1. Organization**

*The Business*

Banzai International, Inc. (the “Company” or “Banzai”) was incorporated in Delaware on September 30, 2015. Banzai is a leading enterprise SaaS Video Engagement platform used by marketers to power webinars, trainings, virtual events, and on-demand video content.

*Close of the Merger*

On December 14, 2023 (the “Closing Date”), 7GC & Co. Holdings Inc. (“7GC”), our predecessor company, consummated the business combination pursuant to the Agreement and Plan of Merger and Reorganization, dated as of December 8, 2022 (the “Original Merger Agreement”), by and among 7GC, Banzai International, Inc. (“Legacy Banzai”), 7GC Merger Sub I, Inc., an indirect wholly owned subsidiary of 7GC (“First Merger Sub”), and 7GC Merger Sub II, LLC, a direct wholly owned subsidiary of 7GC (“Second Merger Sub”), as amended by the Amendment to Agreement and Plan of Merger, dated as of August 4, 2023 (the “Merger Agreement Amendment” and, together with the Original Merger Agreement, the “Merger Agreement”), by and between 7GC and Legacy Banzai.

Pursuant to the terms of the Merger Agreement, a business combination between 7GC and Legacy Banzai was effected through (a) the merger of First Merger Sub with and into Legacy Banzai, with Legacy Banzai surviving as a wholly-owned subsidiary of 7GC (Legacy Banzai, in its capacity as the surviving corporation of the merger, the “Surviving Corporation”) (the “First Merger”) and (b) the subsequent merger of the Surviving Corporation with and into Second Merger Sub, with Second Merger Sub being the surviving entity of the Second Merger, which ultimately resulted in Legacy Banzai becoming a wholly-owned direct subsidiary of 7GC (the “Second Merger” and, together with the First Merger, the “Mergers” and, collectively with the other transactions described in the Merger Agreement, the “Merger”). On the Closing Date, and in connection with the closing of the Merger (the “Closing”), 7GC changed its name to Banzai International, Inc.

Although 7GC was the legal acquirer of Legacy Banzai in the merger, Legacy Banzai is deemed to be the accounting acquirer, and the historical financial statements of Legacy Banzai became the basis for the historical financial statements of the Company upon the closing of the merger.

Furthermore, the historical financial statements of Legacy Banzai became the historical financial statements of the Company upon the consummation of the merger. As a result, the financial statements included in this Annual Report reflect (i) the historical operating results of Legacy Banzai prior to the merger; (ii) the combined results of 7GC and Legacy Banzai following the close of the merger; (iii) the assets and liabilities of Legacy Banzai at their historical cost and (iv) the Legacy Banzai’s equity structure for all periods presented, as affected by the recapitalization presentation after completion of the merger.

The aggregate consideration payable to securityholders of Legacy Banzai at the Closing consisted of a number of shares of Class A Common Stock or shares of Class B Common Stock, and cash in lieu of any fractional shares of Class A Common Stock or shares of Class B Common Stock that would otherwise have been payable to any Legacy Banzai securityholders, equal to \$100,000,000. See *Note 4-Reverse Merger Capitalization with 7GC & Co. Holdings Inc.* for further details of the merger.

#### ***Termination of Hyros Acquisition and Amended Merger Agreement with 7GC***

In December 2022, the Company entered into an Agreement and Plan of Merger with Hyros, Inc., (“Hyros”) (the “Hyros Purchase Agreement”) whereby Banzai would acquire 100% of the issued share capital of Hyros for approximately \$110 million in a primarily stock transaction. The acquisition was expected to enhance Banzai’s role as a full-stack marketing technology platform, expand its total addressable market, to significantly enhance the Banzai platform and accelerate its long-term revenue growth and operational efficiency.

Concurrently, in December 2022, the Company entered into an Agreement and Plan of Merger and Reorganization (the “Original Merger Agreement”) with 7GC & Co. Holdings Inc. (“7GC”), a blank check company formed for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or entities, pending the close of the Hyros Purchase Agreement. On July 31, 2023, Banzai sent a notice of termination to Hyros. On August 1, 2023, Banzai and Hyros terminated the Hyros Purchase Agreement and the Hyros Side Letter (the “Hyros Transaction Termination”), with immediate effect, in connection with the inability to procure the Hyros audited financial statements on the timeline contemplated by the Hyros Purchase Agreement.

On August 4, 2023, the Company entered into an Amendment to the Agreement and Plan of Merger and Reorganization (the “Amended Merger Agreement” and together with the Original Merger Agreement, the “Merger Agreement”) with 7GC (the “Merger”). As a result of the Merger Agreement, all outstanding shares of capital stock of Banzai will be canceled and converted into the right to receive newly issued shares of common stock, par value \$0.0001 per share, 7GC Common Stock determined based on a pre-money enterprise valuation of Banzai of \$100 million and a \$10.00 price per share of 7GC Common Stock.

#### ***Emerging Growth Company***

Upon closure of the Merger, the Company became an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. Private companies are those companies that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised, it adopts the new or revised standard at the time private companies adopt the new or revised standard. Therefore, the Company’s financial statements may not be comparable to certain public companies.



## 2. Going Concern

As of December 31, 2023 the Company had cash of approximately \$2.1 million. For the year ended December 31, 2023, the Company used approximately \$1.6 million in cash for operating activities. The Company has incurred recurring net losses from operations and negative cash flows from operating activities since inception. As of December 31, 2023, the Company had an accumulated deficit of approximately \$46.8 million. These factors raise substantial doubt regarding the Company's ability to continue as a going concern within one year of the date these financial statements were issued.

The continuation of the Company as a going concern is dependent upon the continued financial support from its stockholders and debt holders. Specifically, continuation is contingent on the Company's ability to obtain necessary equity or debt financing to continue operations, and ultimately the Company's ability to generate profit from sales and positive operating cash flows, which is not assured.

The Company's plans include obtaining future debt and equity financings associated with the close of the Merger described in *Note 4-Reverse Merger Capitalization with 7GC & Co. Holdings Inc.*. If the Company is unsuccessful in completing these planned transactions, it may be required to reduce its spending rate to align with expected revenue levels and cash reserves, although there can be no guarantee that it will be successful in doing so. Accordingly, the Company may be required to raise additional cash through debt or equity transactions. It may not be able to secure financing in a timely manner or on favorable terms, if at all. As a result, management's plans cannot be considered probable and thus do not alleviate substantial doubt about the Company's ability to continue as a going concern.

These accompanying audited consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

## 3. Summary of Significant Accounting Policies

### *Basis of Presentation*

The Company's audited consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and applicable regulations of the Securities and Exchange Commission ("SEC") regarding annual financial reporting.

Effective September 19, 2024, the Company completed a one-for-fifty (1-for-50) reverse stock split of our issued and outstanding shares of Class A Common Stock without a corresponding reduction in the total number of authorized shares of our Class A Common Stock (the "Reverse Stock Split"). All references to shares of the Company's Class A Common Stock in these financial statements refer to the number of shares of Class A Common Stock after giving effect to the Reverse Stock Split and are presented as if the Reverse Stock Split had occurred at the beginning of the earliest period presented.

### *Principles of Consolidation*

The accompanying audited consolidated financial statements include the accounts of Banzai and its subsidiaries. The Company consolidates all entities over which the Company has the power to govern the financial and operating policies and therefore exercises control, and upon which the Company has a controlling financial interest. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. The subsidiary is consolidated from the date at which the Company obtains control and is deconsolidated from the date at which control ceases. All intercompany balances and transactions have been eliminated. The accounting policies of the subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Company.

In the opinion of management, all necessary adjustments (consisting of normal recurring adjustments, intercompany adjustments, reclassifications and non-recurring adjustments) have been recorded to present fairly our financial position as of December 31, 2023 and 2022, and the results of operations and cash flows for the years ended December 31, 2023 and 2022.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the audited consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that estimates made as of the date of the financial statements could change in the near term due to one or more future events. Actual results could differ significantly from these estimates. Significant accounting estimates reflected in the Company's consolidated financial statements include estimates of impairment of goodwill, recognition and measurement of convertible and Simple Agreement for Future Equity (SAFE) notes, including the associated embedded derivatives, determination of the fair value of the warrant liabilities, and recognition and measurement of stock compensation.

### ***Certain Risks and Uncertainties***

The Company's business and operations are sensitive to general business and economic conditions. These conditions include short-term and long-term interest rates, inflation, fluctuations in debt and equity capital markets and the general condition of the world economy. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse developments in these general business and economic conditions could have a material adverse effect on the Company's financial condition and the results of its operations. In addition, the Company will compete with many companies that currently have extensive and well-funded products, marketing and sales operations. The Company may be unable to compete successfully against these companies. The Company's industry is characterized by rapid changes in technology and market demands. As a result, the Company's products, services, or expertise may become obsolete or unmarketable. The Company's future success will depend on its ability to adapt to technological advances, anticipate customer and market demands, and enhance its current technology. The Company is also subject to risks which include, but are not limited to, dependence on key personnel, reliance on third parties, successful integration of business acquisitions, protection of proprietary technology, and compliance with regulatory requirements.

### ***Cash***

The Company considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents. As of December 31, 2023 and 2022, the Company does not have any cash equivalents.

The Company has no significant off-balance-sheet concentration of credit risk such as foreign exchange contracts, option contracts or other hedging arrangements. The Company holds cash in banks in excess of federally insured limits. However, the Company believes risk of loss is minimal as the cash is held by large highly rated financial institutions. To reduce its risk associated with the failure of such financial institutions, the Company evaluates at least annually the rating of the financial institutions in which it holds cash. Any material loss that the Company may experience in the future could have an adverse effect on its ability to pay its operational expenses or make other payments and may require the Company to move its cash to other high quality financial institutions. Currently, the Company is reviewing its bank relationships in order to mitigate its risk to ensure that its exposure is limited or reduced to the FDIC protection limits.

### ***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable consist of balances due from customers as well as from payment service providers. Payment terms range from due upon receipt, to net 30 days. Accounts receivable are stated net of an allowance for credit losses.

The allowance for expected credit losses is based on the probability of future collection under the current expected credited loss (“CECL”) impairment model which was adopted by the Company on January 1, 2023, as discussed below within Recent Accounting Pronouncements. The adoption of ASU No. 2016-13, Financial Instruments: Credit Losses (Topic 326) (“ASU 2016-13”) did not have a material impact on these consolidated financial statements. Account balances are written off after all means of collection are exhausted and the balance is deemed uncollectible. Subsequent recoveries are credited to the allowance. Changes in the allowance are recorded as adjustments to credit losses in the period incurred.

As of December 31, 2023 and 2022, the Company determined an allowance for credit losses of \$5,748 and \$107,860 was required, respectively. Further, for the years ended December 31, 2023 and 2022, the Company recognized bad debt expenses for accounts receivable balances of \$65,013 and \$142,162, respectively.

The following table presents changes in the allowance for credit losses for the year ended December 31, 2023:

Balance-January 1, 2023	\$	107,860
Change in provision for credit losses		(102,112)
Balance-December 31, 2023	<u>\$</u>	<u>5,748</u>

### ***Property and Equipment***

Property and equipment are recorded at cost and presented net of accumulated depreciation. Major additions and betterments are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed. Property and equipment are depreciated on the straight-line basis over their estimated useful lives (3 years for computer equipment).

### ***Goodwill***

Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in a business combination. Goodwill is reviewed for impairment at least annually, in December, or more frequently if a triggering event occurs between impairment testing dates. As of December 31, 2023, the Company had one operating segment, which was deemed to be its reporting unit, for the purpose of evaluating goodwill impairment.

The Company’s impairment assessment begins with a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Qualitative factors may include, macroeconomic conditions, industry and market considerations, cost factors, and other relevant entity and Company specific events. If, based on the qualitative test, the Company determines that it is “more likely than not” that the fair value of a reporting unit is less than its carrying value, then we evaluate goodwill for impairment by comparing the fair value of our reporting unit to its respective carrying value, including its goodwill. If it is determined that it is not likely that the fair value of the reporting unit is less than its carrying value, then no further testing is required.

The selection and assessment of qualitative factors used to determine whether it is more likely than not that the fair value of a reporting unit exceeds the carrying value involves significant judgment and estimates. Fair values may be determined using a combination of both income and market-based approaches. There were no impairments of goodwill recorded for the years ended December 31, 2023 and 2022.

### ***Deferred Offering Costs***

In 2022 and 2023, the Company capitalized fees related to the Merger Agreement (see *Note 1-Organization* and *Note 4-Merger*) as an asset. These fees were recognized as a reduction of equity, upon Closing of the Merger on December 14, 2023.

Capitalized deferred offering costs consisted of the following, as of December 14, 2023 and December 31, 2022:

	<b>December 14, 2023</b>	<b>December 31, 2022</b>
SPAC-related legal fees	\$ 2,973,077	\$ 1,264,914
Investment bank advisory services	135,000	135,000
Federal Trade Commission filing fees	125,020	125,020
Total deferred offering costs capitalized	<u>\$ 3,233,097</u>	<u>\$ 1,524,934</u>

The entire balance of Deferred Offering Costs capitalized as of December 14, 2023, was reclassified to Additional Paid-in- Capital, on December 14, 2023, in connection with the closing of the Merger. As a result, there was no Deferred Offering Costs balance as of December 31, 2023.

### ***Warrant Liabilities***

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. 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.

#### *Warrant Liability-related party*

The Public Warrants are recognized as derivative liabilities in accordance with ASC 815 *Derivatives and Hedging* (“ASC 815”). Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s consolidated statements of operations.

The Public Warrants were initially measured at fair value using a Monte Carlo simulation model and have subsequently been measured based on the listed market price of such warrants. The determination of the fair value of the warrant liabilities may be subject to change as more current information becomes available and accordingly the actual results could differ significantly. Warrant liabilities are classified as current liabilities on the Company’s consolidated balance sheets.

#### *Warrant Liability*

The GEM Warrants were not considered indexed to the issuer’s stock pursuant to ASC 815, as the holder’s ability to receive one percent of the total consideration received by the Company’s stockholders in connection with a Change of Control in lieu of the Warrant, where the surviving corporation is not publicly traded, adjusts the settlement value based on items outside the Company’s control in violation of the fixed-for-fixed option pricing model. As such, the Company recorded the Warrants as liabilities initially measured at fair value with subsequent changes in fair value recognized in earnings each reporting period.

The measurement of fair value was determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion). The Company determined the Warrants were share issuance costs associated with an aborted offering to purchase equity. Aborted offering costs may not be deferred and charged against proceeds of a subsequent offering. As such, the Company recorded an expense for the corresponding fair value.

#### **Simple Agreements for Future Equity-SAFE**

The Company accounts for Simple Agreements for Future Equity (“SAFE”) at fair value in accordance with ASC 480 *Distinguishing Liabilities from Equity*. The SAFEs are subject to revaluation at the end of each reporting period, with changes in fair value recognized in the accompanying Consolidated Statement of Operations.

#### **Concentration of Business and Credit Risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company has no financial instruments with off-balance sheet risk of loss.

At December 31, 2023, no customers accounted for 10% or more of accounts receivable. At December 31, 2022, three customers accounted for 10% or more of accounts receivable with concentrations of 21%, 16%, and 10% and totaling approximately 47% of the total accounts receivable balance as of December 31, 2022. Total revenues from these customers amounted to \$259,635 for the year ended December 31, 2022. For the years ended December 31, 2023 and 2022, no customers accounted for 10% or more of total revenues, respectively.

At December 31, 2023 and 2022, one supplier accounted for 10% or more of accounts payable.

#### **Loss Per Share**

Basic loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the year. Diluted net loss per share excludes, when applicable, the potential impact of stock options and convertible preferred stock because their effect would be anti-dilutive due to the net loss. Since the Company had a net loss in each of the periods presented, basic and diluted net loss per common share are the same.

The calculation of basic and diluted net loss per share attributable to common stock was as follows:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Numerator:</b>		
Net loss attributable to common stock-basic and diluted	\$ (14,406,262)	\$ (15,468,502)
<b>Denominator:</b>		
Weighted average shares-basic and diluted	137,074	128,822
Net loss per share attributable to common stock-basic and diluted	\$ (105.10)	\$ (111.83)

Securities that were excluded from loss per share as their effect would be anti-dilutive due to the net loss position that could potentially be dilutive in future periods are as follows:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
Options	14,962	7,420
Public warrants	230,000	-
GEM warrants	16,571	-
<b>Total</b>	<b>261,533</b>	<b>7,420</b>

### ***Leases***

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are presented as right-of-use (“ROU”) assets and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities, non-current on the Company’s balance sheets. ROU assets represent the Company’s right to use an underlying asset, and lease liabilities represent the Company’s obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

ROU assets and lease liabilities are recognized at commencement date and determined using the present value of the future minimum lease payments over the lease term. The Company uses an incremental borrowing rate based on estimated rate of interest for collateralized borrowing since the Company’s leases do not include an implicit interest rate. The estimated incremental borrowing rate considers market data, actual lease economic environment, and actual lease term at commencement date. The lease term may include options to extend when it is reasonably certain that the Company will exercise that option. In addition, the Company does not recognize short-term leases that have a term of twelve months or less as ROU assets or lease liabilities. The Company recognizes operating lease expense on a straight-line basis over the lease term.

The Company has lease agreements which contain both lease and non-lease components, which it has elected to account for as a single lease component when the payments are fixed. As such, variable lease payments, including those not dependent on an index or rate, such as real estate taxes, common area maintenance, and other costs that are subject to fluctuation from period to period are not included in lease measurement.

The Company evaluates long-lived assets for recoverability if there are indicators of potential impairment. Indicators of potential impairment may include subleasing a location for less than the head lease cost. If there are indicators of potential impairment, the Company will test the assets for recoverability. If the undiscounted cash flows estimated to be generated are less than the carrying value of the underlying assets, the assets are deemed impaired. If it is determined that assets are impaired, an impairment loss is calculated based on the amount that the asset’s book value exceeds its fair value.

### ***Revenue Recognition***

Revenue is generated through Banzai providing marketing and webinar platform subscription software service for a set period of time. The Statement of Work (“SOW”) or Invoice, and the accompanying documents are negotiated and signed by both parties (if applicable). Alternatively, customer contracting is achieved via self service and invoicing is initiated automatically once the customer accepts the terms and conditions on the platform, based on their selection of the desired subscription product. When execution or completion of the contract occurs, the contract is valid and revenue is earned when the service is provided for each period of performance, daily. The amount is paid by the customer based on the contract terms monthly, quarterly, or annually, with the majority paid via credit card processing.

The Company recognizes revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for the transfer of promised services to its customers. To determine revenue recognition for contracts with customers, the Company performs the following steps described in ASC 606: (1) identifies the contract with the customer, or Step 1, (2) identifies the performance obligations in the contract, or Step 2, (3) determines the transaction price, or Step 3, (4) allocates the transaction price to the performance obligations in the contract, or Step 4, and (5) recognizes revenue when (or as) the entity satisfies a performance obligation, or Step 5.

Revenue from contracts with customers are not recorded until the Company has the approval and commitment from the parties, the rights of the parties are identified, payment terms are established, the contract has commercial substance and collectability of the consideration is probable. The Company also evaluates the following indicators, amongst others, when determining whether it is acting as a principal in the transaction (and therefore whether to record revenue on a gross basis): (i) whether the Company is primarily responsible for fulfilling the promise to provide the specified good or service, (ii) whether the Company has the inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer and (iii) whether the Company has the discretion to establish the price for the specified good or service. If the terms of a transaction do not indicate that the Company is acting as a principal in the transaction, then the Company is acting as an agent in the transaction and therefore, the associated revenue is recognized on a net basis (that is revenue net of costs).

Revenue is recognized once control passes to the customer. The following indicators are evaluated in determining when control has passed to the customer: (i) whether the Company has a right to payment for the product or service, (ii) whether the customer has legal title to the product or service, (iii) whether the Company has transferred physical possession of the product or service to the customer, (iv) whether the customer has the significant risk and rewards of ownership of the product or service and (v) whether the customer has accepted the product or service. When an arrangement contains more than one performance obligation, the Company will allocate the transaction price to each performance obligation on a relative standalone selling price basis. The Company utilizes the observable price of products and services when they are sold separately to similar customers in order to estimate standalone selling price.

### ***Costs of Revenue***

Costs of revenue consist primarily of infrastructure, streaming service, data license and contracted services costs, as well as merchant fees and payroll costs.

### ***Advertising Costs***

Advertising costs are expensed as incurred. Advertising costs were \$941,737 and \$783,764 for the years ended December 31, 2023 and 2022, respectively, which are included in general and administrative expenses on the consolidated statements of operations.

### ***Stock-Based Compensation***

The Company expenses stock-based compensation to employees and non-employees over the requisite service period based on the estimated grant-date fair value of the awards in accordance with ASC 718, *Stock Compensation*. The Company accounts for forfeitures as they occur. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

### ***Income Taxes***

Income taxes are recorded in accordance with ASC 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company recognizes any interest and penalties accrued related to unrecognized tax benefits as income tax expense.

### ***Derivative Financial Instruments***

The Company evaluates all its financial instruments to determine if such instruments contain features that qualify as embedded derivatives. Embedded derivatives must be separately measured from the host contract if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the statement of operations each period. Bifurcated embedded derivatives are classified with the related host contract in the Company's balance sheet. Refer to *Note 8-Fair Value Measurements* and *Note 14-Debt* for further detail.

### ***Fair Value of Financial Instruments***

In accordance with FASB ASC 820 *Fair Value Measurements and Disclosures*, the Company uses a three-level hierarchy for fair value measurements of certain assets and liabilities for financial reporting purposes that distinguishes between market participant assumptions developed from market data obtained from outside sources (observable inputs) and the Company's own assumptions about market participant assumptions developed from the best information available to us in the circumstances (unobservable inputs). The fair value hierarchy is divided into three levels based on the source of inputs as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and values determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management during the years ended December 31, 2023 and 2022. The carrying amount of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued expenses, deferred revenue, and other current liabilities approximated their fair values as of December 31, 2023 and 2022. During 2022, the Company carried convertible notes bifurcated embedded derivatives and Simple Agreements for Future Equity ("SAFE") investments at their fair value (see *Note 8-Fair Value Measurements* for fair value information).

### ***Business Combinations***

The Company accounts for business combinations in accordance with FASB ASC 805 ("ASC 805"), *Business Combinations*. Accordingly, identifiable tangible and intangible assets acquired and liabilities assumed are recorded at their estimated fair values, the excess of the purchase consideration over the fair values of net assets acquired is recorded as goodwill, and transaction costs are expensed as incurred.

### ***Recent Accounting Pronouncements***

#### *Recent accounting pronouncements not yet effective*

In December 2023, the FASB issued ASU 2023-09 (Topic 740), *Improvements to income tax disclosures*, which enhances the disclosure requirements for the income tax rate reconciliation, domestic and foreign income taxes paid, requiring disclosure of disaggregated income taxes paid by jurisdiction, unrecognized tax benefits, and modifies other income tax-related disclosures. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted and should be applied prospectively. The Company is currently evaluating the effect of adopting this guidance on its consolidated financial statements.



#### 4. Reverse Merger Capitalization with 7GC & Co. Holdings Inc.

On December 14, 2023 (the “Closing Date”), Banzai consummated the previously announced Merger with 7GC, as a result of which Banzai became a wholly-owned subsidiary of 7GC. While 7GC was the legal acquirer of Banzai in the merger, for accounting purposes, Legacy Banzai was deemed to be the accounting acquirer in the merger. The determination was primarily based on Legacy Banzai’s stockholders having a majority of the voting power in the combined Company, Legacy Banzai having the ability to appoint a majority of the Board of Directors of the Company, Legacy Banzai’s existing management team comprising the senior management of the combined Company, Legacy Banzai comprising the ongoing operations of the combined Company and the combined Company assumed the name “Banzai International, Inc.”. Accordingly, for accounting purposes, the merger was treated as the equivalent of Legacy Banzai issuing stock for the net assets of 7GC, accompanied by a recapitalization. The net assets of 7GC are stated at historical cost, with no goodwill or other intangible assets recorded.

##### *Preferred Stock Conversion*

Immediately prior to the First Merger (the “First Effective Time”), each share of Legacy Banzai Series A preferred stock, par value \$0.0001 (the “Legacy Banzai Preferred Stock”), that was issued and outstanding was automatically converted into one share of Legacy Banzai Class A Common Stock, par value \$0.0001 (the “Legacy Banzai Class A Common Stock”) in accordance with the Amended and Restated Certificate of Incorporation of Legacy Banzai, such that each converted share of Legacy Banzai Preferred Stock was no longer outstanding and ceased to exist, and each holder of shares of Legacy Banzai Preferred Stock thereafter ceased to have any rights with respect to such securities.

At the First Effective Time, by virtue of the First Merger and without any action on the part of 7GC, First Merger Sub, Legacy Banzai or the holders of any of the following securities:

- (a) each outstanding share of Legacy Banzai Class A Common Stock, including the shares of Legacy Banzai Class A Common Stock from the conversion of the Legacy Banzai Preferred Stock described above, and each outstanding share of Class B common stock of Legacy Banzai, par value \$0.0001 per share (the “Legacy Banzai Class B Common Stock” and together with Legacy Banzai Class A Common Stock, “Legacy Banzai Common Stock”) (in each case, other than dissenting shares and any shares held in the treasury of Legacy Banzai), was cancelled and converted into the right to receive a number of shares of Class A Common Stock or a number of shares of Class B common stock of the Company, par value \$0.0001 (“Class B Common Stock” and, collectively with Class A Common Stock, the “Common Stock”), respectively, equal to (x) the Per Share Value (as defined below) divided by (y) \$10.00 (the “Exchange Ratio”);

- (b) (1) each option to purchase Legacy Banzai Class A Common Stock (“Legacy Banzai Option”), whether vested or unvested, that was outstanding immediately prior to the First Effective Time and held by any securityholders of Legacy Banzai immediately prior to the First Effective Time (each, a “Pre-Closing Holder”) who was providing services to Legacy Banzai immediately prior to the First Effective Time (a “Pre-Closing Holder Service Provider”), was assumed and converted into an option (a “Company Option”) to purchase shares of Class A Common Stock, calculated in the manner set forth in the Merger Agreement; and (2) the vested portion of each Legacy Banzai Option that was outstanding at such time and held by a Pre-Closing Holder who was not then providing services to Legacy Banzai (a “Pre-Closing Holder Non-Service Provider”) was assumed and converted into a Company Option to purchase shares of Class A Common Stock, calculated in the manner set forth in the Merger Agreement;
- (c) each right of each SAFE investor to receive a portion of the Total Consideration (as defined below) pursuant to certain Simple Agreements for Future Equity (“each, a “SAFE Agreement”) that was outstanding immediately prior to the First Effective Time was cancelled and converted into the right (each, a “SAFE Right”) to receive a number of shares of Class A Common Stock equal to (i) the Purchase Amount as defined in the applicable SAFE Agreement that governed such SAFE Right (the “SAFE Purchase Amount”) in respect of such SAFE Right divided by the Valuation Cap Price as defined in each SAFE Agreement in respect of such SAFE Right multiplied by (ii) the Exchange Ratio; and
- (d) each Subordinated Convertible Note set forth in Section 1.1(a) of the Legacy Banzai disclosure schedules to the Merger Agreement (the “Subordinated Convertible Notes”) that was outstanding immediately prior to the First Effective Time was cancelled and converted into the right to receive a number of shares of Class A Common Stock equal to (i) all of the outstanding principal and interest in respect of such Subordinated Convertible Note, divided by the quotient obtained by dividing the Valuation Cap by the Fully Diluted Capitalization (each as defined in and determined pursuant to the terms of such Subordinated Convertible Note) in respect of such Subordinated Convertible Note, multiplied by (ii) the Exchange Ratio.
- (e) “Per Share Value” equals (i) an amount equal to \$100,000,000, payable in shares of Class A Common Stock or shares of Class B Common Stock, as applicable (the “Total Consideration”), divided by (ii) (A) the total number of shares of Legacy Banzai Class A Common Stock and Legacy Banzai Class B Common Stock issued and outstanding as of immediately prior to the First Effective Time, (B) the maximum aggregate number of shares of Legacy Banzai Class A Common Stock issuable upon full exercise of Legacy Banzai Options issued, outstanding, and vested immediately prior to the First Effective Time, (C) the maximum aggregate number of shares of Legacy Banzai Class A Common Stock issuable upon conversion of certain senior convertible notes outstanding as of immediately prior to the First Effective Time at the applicable conversion price, (D) the maximum aggregate number of shares of Legacy Banzai Class A Common Stock issuable upon conversion of all of the outstanding principal and interest under the Subordinated Convertible Notes as of immediately prior to the First Effective Time at the applicable conversion price, and (E) the maximum aggregate number of shares of Legacy Banzai Class A Common Stock issuable upon conversion of the SAFE Purchase Amount under each SAFE Right as of immediately prior to the First Effective Time at the applicable SAFE Conversion Price.

At the effective time of the Second Merger (the “Second Effective Time”), by virtue of the Second Merger and without any action on the part of 7GC, Surviving Corporation, Second Merger Sub or the holders of any securities of 7GC or the Surviving Corporation or the Second Merger Sub, each share of common stock of the Surviving Corporation issued and outstanding immediately prior to the Second Effective Time was cancelled and extinguished, and no consideration was delivered therefor.

### *Retroactive Restatement for Conversion of Common Stock and Series A Preferred Stock by Applying Exchange Ratio*

Upon the closing of the merger, holders of Legacy Banzai common stock and Series A preferred stock received shares of common stock in an amount determined by application of the Exchange Ratio. In accordance with guidance applicable to these circumstances, the equity structure has been restated in all comparable periods, prior to the merger, up to December 14, 2023, to reflect the number of shares of the Company's common stock, \$0.0001 par value per share, issued to Legacy Banzai's stockholders in connection with the merger. As such, the shares and corresponding capital amounts and earnings per share related to Legacy Banzai's outstanding Series A preferred stock and Legacy Banzai's common stock prior to the merger have been retroactively restated as shares reflecting the exchange ratio of approximately 0.6147 established in the merger. Legacy Banzai's Series A preferred stock previously classified as temporary equity was retroactively adjusted, converted into common stock and reclassified to permanent equity as a result of the reverse recapitalization. The consolidated assets, liabilities, and results of operations prior to the merger are those of Legacy Banzai.

The aggregate consideration payable to securityholders of Banzai at the Closing Date was equal to \$100,000,000. Holders of 3,207,428 shares of 7GC's Class A common stock, par value \$0.0001 per share ("7GC Class A Common Stock"), exercised their right to redeem their shares for cash at a redemption price of approximately \$10.76 per share, for an aggregate redemption amount of \$34,524,065. Immediately prior to the Closing Date, each share of Banzai's Preferred Stock that was issued and outstanding was automatically converted into one share of Banzai's Class A Common Stock, par value \$0.0001 per share. Each share of Banzai's Class B Common Stock that was not held by the Chief Executive Officer of the Company converted to one share of Banzai's Class A Common Stock, while the Chief Executive Officer received Class B Common Stock.

On the terms and subject to the conditions set forth in the Merger Agreement, at the Second Effective Time, each share of common stock of the Surviving Corporation issued and outstanding immediately prior to the Second Effective Time was cancelled and no consideration was delivered therefore.

### *Treatment of Outstanding Equity Awards*

In addition, as of the First Effective Time: (i) each Legacy Banzai Option, whether vested or unvested, that was outstanding immediately prior to the First Effective Time and held by a Pre-Closing Holder Service Provider, was assumed and converted into a Company Option with respect to a number of shares of Class A Common Stock calculated in the manner set forth in the Merger Agreement; and (ii) the vested portion of each Legacy Banzai Option that was outstanding at such time and held by a Pre-Closing Holder Non-Service Provider was assumed and converted into a Company Option with respect to a number of shares of Class A Common Stock calculated in the manner set forth in the Merger Agreement. See *Note 19-Stock-Based Compensation* for further details related to the outstanding equity awards.

### *Treatment of SAFE Rights*

As of the First Effective Time, each SAFE Right that was outstanding immediately prior to the First Effective Time was cancelled and converted into and became the right to receive a number of shares of Class A Common Stock equal to the SAFE Purchase Amount in respect of such SAFE Right divided by the SAFE Conversion Price in respect of such SAFE Right multiplied by (ii) the Exchange Ratio. See *Note 16-Simple Agreements for Future Equity* for further details related to the SAFEs.

### *Treatment of Convertible Notes*

As of the First Effective Time, each Subordinated Convertible Note that was outstanding immediately prior to the First Effective Time was cancelled and converted into the right to receive a number of shares of Class A Common Stock equal to (i) all of the outstanding principal and interest in respect of such Subordinated Convertible Note divided by the Subordinated Convertible Note Conversion Price in respect of such Subordinated Convertible Note, multiplied by (ii) the Exchange Ratio. In connection with the Forbearance Agreement and amended and restated Senior Convertible Notes, each Senior Convertible Note remained outstanding following the Closing (to be convertible at CP BF's option into shares of Class A Common Stock after the Merger).

On December 14, 2023, Legacy Banzai entered into the Forbearance Amendment, pursuant to which CP BF agreed not to exercise any right or remedy under the Loan Agreement with CP BF entered into on February 19, 2021 (the “CP BF Loan Agreement”), including its right to accelerate the aggregate amount outstanding under the CP BF Loan Agreement, until (a) the date that is the earlier of the date that all Yorkville Promissory Notes to be issued under the SEPA (See below for further detail) have been repaid (and/or converted) in full, or (b) six months after the Closing of the Merger. See below and *Note 14-Debt* for further details.

#### *Material Agreements Related to the Close of the Merger*

In connection with the close of the merger, the following material agreements and transactions were entered into by 7GC and Legacy Banzai:

- **Sponsor Forfeiture Agreement**-On August 4, 2023, 7GC, 7GC & Co. Holdings LLC, a Delaware limited liability company (the “Sponsor”), and Legacy Banzai entered into a Sponsor Forfeiture Agreement (the “Sponsor Forfeiture Agreement”), pursuant to which, contingent upon Closing, the Sponsor agreed to forfeit all 7,350,000 of its private placement warrants to purchase shares of 7GC Class A Common Stock, exercisable at \$11.50 per share (the “Forfeited Private Placement Warrants”), acquired by the Sponsor in December 2020 in connection with the IPO. At the Closing, the Forfeited Private Placement Warrants were transferred from the Sponsor to 7GC for cancellation in exchange for no consideration, and 7GC retired and cancelled all of the Forfeited Private Placement Warrants.
- **Yorkville Standby Equity Purchase Agreement (“SEPA”)**-On December 14, 2023, the Company entered into the Original SEPA with Legacy Banzai and Yorkville. Additionally, Yorkville agreed to advance to the Company the principal amount of \$3.5 million, which was subsequently increased pursuant to the SEPA Supplemental Agreement by \$1.0 million to an aggregate principal amount of \$4.5 million (the “Pre-Paid Advance”). The Pre-Paid Advance is evidenced by promissory notes convertible into shares of Class A Common Stock (each, a “Yorkville Promissory Note”). See *Note 14-Debt* and *Note 18-Equity* for further details of these transactions.
- **Share Transfer Agreements and Alco Promissory Notes**-In connection with the Merger, Legacy Banzai issued the Alco September 2023 Promissory Note and the Alco November 2023 Promissory Note and entered into certain share transfer agreements (the “Prior Transfer Agreements”), dated October 3, 2023 and November 16, 2023, with Alco, 7GC and Sponsor, pursuant to which the parties agreed, concurrently with and contingent upon the Closing, that the Sponsor would forfeit 3,000 and 1,500 shares of 7GC Class B Common Stock and the Company would issue to Alco 150,000 and 1,500 shares of Class A Common Stock.

On December 13, 2023, in connection with the Merger, 7GC and the Sponsor entered into a share transfer agreement (the “December Share Transfer Agreement”) with Alco, pursuant to which for each \$10.00 in principal borrowed under the New Alco Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three shares of Class A Common Stock, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 12,000. Additionally, in connection with the December Share Transfer Agreement, (a) Legacy Banzai issued the New Alco Note to Alco in the aggregate principal amount of \$2.0 million, which bears interest at a rate of 8% per annum and will be due and payable on December 31, 2024, and (b) Legacy Banzai, Alco, and CP BF Lending, LLC agreed to amend that certain Subordinated Promissory Note issued by Legacy Banzai to Alco on September 13, 2023 in the aggregate principal amount of \$1.5 million to extend the maturity date from January 10, 2024 to September 30, 2024 (the “Alco Note Amendment”). Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration an aggregate of 16,500 shares of 7GC Class B Common Stock and (ii) the Company issued to Alco 16,500 shares of Class A Common Stock pursuant to the Share Transfer Agreements. See *Note 14-Debt* for further details of these transactions.

- **GEM Agreements**-On May 27, 2022, Legacy Banzai entered into a certain share purchase agreement with GEM (the “GEM Agreement”), pursuant to which, among other things, upon the terms and subject to the conditions of the GEM Agreement, GEM was to purchase from Legacy Banzai (or its successor per the GEM Agreement) up to the number of duly authorized, validly issued, fully paid and non-assessable shares of common stock having an aggregate value of \$100,000,000. Further, in terms of the GEM Agreement, on the date of public listing of Legacy Banzai, Legacy Banzai was required to make and execute a warrant granting GEM the right to purchase up to the number of common shares of Legacy Banzai that would be equal to 3% of the total equity interests, calculated on a fully diluted basis, and at an exercise price per share equal to the lesser of (i) the public offering price or closing bid price on the date of public listing or (ii) the quotient obtained by dividing \$650 million by the total number of equity interests.

On December 13, 2023, Legacy Banzai and GEM entered into that certain binding term sheet (the “GEM Term Sheet”) and, on December 14, 2023, a letter agreement (the “GEM Letter”), agreeing to terminate in its entirety the GEM Agreement by and between Legacy Banzai and GEM, other than with respect to the Company’s obligation (as the post-combination company in the Merger) to issue to GEM a warrant (the “GEM Warrant”) granting the right to purchase Class A Common Stock in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a \$2.0 million convertible debenture with a five-year maturity and 0% coupon, with the documentation of such debenture to be agreed upon and finalized promptly following the Closing. See *Note 15-Warrant Liabilities* for further details of these transactions, and *Note 21-Subsequent Events* for details related to the subsequent settlement agreement entered into with GEM, in 2024.

- **7GC Promissory Notes**-On December 12, 2023, in connection with the Merger, the Sponsor came to a non-binding agreement with 7GC to amend the optional conversion provision of the 7GC Promissory Notes, consisting of (i) the 7GC 2022 Promissory Note, issued by 7GC to the Sponsor, pursuant to which 7GC may borrow up to \$2,300,000 from the Sponsor, and (ii) the 2023 Promissory Note, to provide that the Sponsor has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the Closing at a conversion price equal to the average daily VWAP of Class A Common Stock for the 30 trading days following the Closing (equal to approximately \$2.86 per share). See *Note 14-Debt and Note 6-Related Party Transactions* for further details of this transaction, and *Note 21-Subsequent Events* for details related to the subsequent conversion of the 7GC Promissory Notes, in 2024.
- **CP BF Senior Convertible Notes**-On February 19, 2021, Legacy Banzai issued the First Senior Convertible Note in an aggregate principal amount of \$1,500,000 to CP BF in connection with the Loan Agreement. On October 10, 2022, the Loan Agreement was amended, whereby CP BF waived payment by Banzai of four months of cash interest with respect to the term loan under the Loan Agreement in replacement for the Second Senior Convertible Note in an aggregate principal amount of \$321,345. On August 24, 2023, Legacy Banzai and CP BF entered into the Forbearance Agreement, in connection with which they agreed to amend and restate the Senior Convertible Notes so that they would not convert at the Closing of the Merger as a “Change of Control.” After Closing, the Senior Convertible Notes became convertible, at CP BF’s option on 5 days’ written notice to the Company, into shares of Class A Common Stock. The Senior Convertible Notes provide that, at all times after a SPAC Transaction (as defined in the Senior Convertible Notes), the conversion price for any such conversion is approximately \$217.43 per share (subject to adjustment as set forth therein). See *Note 14-Debt* for further details of this transaction.

- Cantor Fee Agreement**-On November 8, 2023, Cantor Fitzgerald & Co. (“Cantor”) and 7GC entered into the Fee Reduction Agreement, pursuant to which Cantor agreed to forfeit \$4,050,000 of the aggregate of \$8,050,000 of deferred underwriting fees payable (“Original Deferred Fee”), with the remaining \$4,000,000 payable by 7GC to Cantor (the “Reduced Deferred Fee”) following the Closing of the Merger. Pursuant to the Fee Reduction Agreement, the Reduced Deferred Fee was payable in the form of the Cantor Fee Shares, calculated as a number of shares of Class A Common Stock equal to the greater of (a) 400,000 or (b) the quotient obtained by dividing (x) the Reduced Deferred Fee by (y) the dollar volume-weighted average price for the shares of Class A Common Stock on Nasdaq, over the five trading days immediately preceding the date of filing of this resale registration statement on Form S-1, as reported by Bloomberg through its “AQR” function (as adjusted for any stock dividend, split, combination, recapitalization or other similar transaction). 7GC and Cantor amended the Fee Reduction Agreement on December 28, 2023 to provide that the Reduced Deferred Fee was payable in the form of 22,279 shares of Class A Common Stock and to provide that Cantor is subject to a 12-month lock-up with respect to the Cantor Fee Shares. On December 28, 2023, the Company issued the Cantor Fee Shares to Cantor, covering the Reduced Deferred Fee in accordance with the Fee Reduction Agreement. Pursuant to the Fee Reduction Agreement, the Company also agreed to use its reasonable best efforts to have the registration statement declared effective by the SEC by the 120th calendar day after December 29, 2023, the date of the initial filing thereof, and to maintain the effectiveness of such registration statement until the earliest to occur of (i) the second anniversary of the date of the effectiveness thereof, (ii) the Cantor Fee Shares shall have been sold, transferred, disposed of or exchanged by Cantor, and (iii) the Cantor Fee Shares issued to Cantor may be sold without registration pursuant to Rule 144 under the Securities Act (such obligations, the “Cantor Registration Rights Obligations”). See *Note 17-Commitments and Contingencies* for further details of this transaction.

Upon the closing of the merger, the Company’s certificate of incorporation was amended and restated to, among other things, increase the total number of authorized shares of all classes of capital stock to 105,000,000 shares, consisting of 5,000,000 shares of Class A Common Stock, 25,000,000 shares of Class B Common Stock, and 75,000,000 shares of Preferred Stock, all having a par value of \$0.0001 per share. As of December 31, 2023, there were 2,585,296 shares of Common Stock and no shares of Preferred Stock outstanding.

*Reconciliation of the Merger to the Company’s Consolidated Financial Statements*

The following table reconciles the elements of the Merger to the consolidated statements of cash flows:

	<b>Recapitalization</b>
Deferred underwriting fees assumed	\$ 4,000,000
Convertible notes payable assumed	2,550,000
Warrant liabilities assumed	460,000
Less: effect on equity	(14,625,462)
Effect of reverse recapitalization, net of transaction costs	<u>\$ (7,615,462)</u>

The following table reconciles the elements of the Merger to the consolidated statements of changes in stockholders' deficit:

	<b>Recapitalization</b>
Cash	\$ 197,166
Non-cash net working capital assumed	(7,812,628)
Deferred underwriting fees assumed	(4,000,000)
Convertible notes payable assumed	(2,550,000)
Fair value of assumed warrant liabilities	(460,000)
Transaction costs	(3,233,097)
Effect of reverse recapitalization	<u>\$ (17,858,559)</u>

The effect of the reverse recapitalization above differs from the effect of equity on the consolidated statements of cash flows, due to the transaction costs.

#### *Effect of Merger on Class A and Class B Common Stock*

Upon the Close of the Merger, holders of Legacy Banzai common stock and Series A preferred stock were converted into shares of common stock in an amount determined by application of the Exchange Ratio. As noted above, the equity structure has been restated in all comparable periods, prior to the Merger, up to December 14, 2023, to reflect the number of shares of the Company's common stock, \$0.0001 par value per share, issued to Legacy Banzai's stockholders in connection with the Merger. At January 1, 2022, the Company had 6,359,139 shares of common stock issued and outstanding, consisting of 39,139 shares of Class A common stock and 6,320,000 shares of Class B common stock. Additionally, the company had 2,328,823 shares of Series A preferred stock outstanding. The retrospective impact of the recapitalization to Class A common stock and Class B common stock was a decrease of 15,082 and 2,435,327, respectively. The retrospective impact of the Series A preferred stock outstanding was a decrease of 897,380 shares. The total impact to common stock was 1,758,003 which was determined by the decrease in the Class A and Class B common stock of 15,082 and 2,435,327, respectively, offset by the increase of reclassification of the Series A preferred stock into common stock of 28,629.

The total shares of common stock issued and outstanding at December 31, 2022, after giving effect to the recapitalization and activity during the year, was 3,935,892, consisting of 51,219 shares of Class A common stock and 3,884,673 shares of Class B common stock. At December 31, 2023, the Company had 2,585,297 shares of common stock issued and outstanding, consisting of 274,162 shares of Class A common stock and 2,311,134 shares of Class B common stock.

## **5. Asset Disposal**

### ***Disposal of High Attendance Assets***

On July 1, 2022, the Company sold the assets and liabilities of High Attendance, a subsidiary of the Company, back to its former owner (the "Buyer"), from whom the assets were originally purchased during the year ended December 31, 2020 pursuant to an Asset Purchase Agreement. At the time of the sale, the Buyer was employed by and a securityholder of the Company. The sale was accounted for as a nonmonetary transaction as the Company determined the sale of the High Attendance asset group represents the rescission of the prior acquisition of these assets in the asset acquisition which occurred during the year ended December 31, 2020.

The assets and liabilities of High Attendance were exchanged for the cancellation of 1,638 shares of restricted Class A Common Stock of the Company, par value \$0.0001 per share, held by the former owner of High Attendance, and which were previously granted to the Buyer as consideration for the acquisition of High Attendance during the year ended December 31, 2020. As additional consideration for the Buyer's assumption of liabilities relating to the purchased assets of High Attendance, the Company paid \$17,500 to the Buyer at closing. The shares of restricted Class A Common Stock had vesting terms over 24 months of continuous service from the date of the initial purchase during the year ended December 31, 2020.

In accordance with the provisions of ASC 845 *Nonmonetary Transactions*, the Company recorded the cancellation of 81,908 shares of restricted Class A Common Stock as a reduction of additional paid in capital, and no gain or loss was recorded in this transaction.

## 6. Related Party Transactions

### *7GC Related Party Promissory Notes*

On December 21, 2022, 7GC issued an unsecured promissory note (the "December 2022 7GC Note") to the Sponsor, 7GC & Co. Holdings LLC, which provides for borrowings from time to time of up to an aggregate of \$2,300,000. Up to \$500,000 of the December 2022 7GC Note may be drawn and used for Working Capital Drawdowns and up to \$1,800,000 of the December 2022 7GC Note may be drawn and used for Extension Drawdowns. 7GC borrowed \$1,100,000 under the December 2022 7GC Note on December 21, 2022, \$900,000 of which was an Extension Drawdown and \$200,000 of which was a Working Capital Drawdown. The December 2022 7GC Note does not bear interest and is repayable in full upon the earlier of the consummation of a Business Combination or the date 7GC liquidates the Trust Account upon the failure to consummate a Business Combination within the requisite time period. Upon the consummation of a Business Combination, the Sponsor shall have the option, but not the obligation, to convert the principal balance of the December 2022 7GC Note, in whole or in part, into that number of shares of Class A common stock, \$0.0001 par value per share, of 7GC (the "Converted Shares") equal to the principal amount of the December 2022 7GC Note so converted divided by \$10.00. The terms of the Converted Shares, if issued, will be identical to the terms of 7GC's Public Shares, except that the Converted Shares (x) will not be registered under the Securities Act, and (y) will be subject to the terms of that certain letter agreement, dated as of December 22, 2020, among 7GC, the Sponsor, and certain other parties thereto. The December 2022 7GC Note is subject to customary events of default, the occurrence of which automatically trigger the unpaid principal balance of the December 2022 7GC Note and all other sums payable with regard to the December 2022 7GC Note becoming immediately due and payable. On February 9, 2023, 7GC borrowed an additional \$177,500 under the December 2022 7GC Note which was a Working Capital Drawdown. During the three months ended June 30, 2023 an additional \$122,500 was borrowed under the Working Capital Drawdown, for a total outstanding of \$500,000. During the three months ended June 30, 2023 an additional \$900,000 was borrowed as an Extensions drawdown, for a total outstanding of \$1,800,000.

On October 3, 2023, 7GC issued an additional unsecured promissory note (the "October 2023 7GC Note", together with the December 2022 7GC Note, the "7GC Promissory Notes") to the Sponsor, which provides for borrowings from time to time of up to an aggregate of \$500,000 for working capital purposes. The October 2023 7GC Note does not bear interest and is repayable in full upon the earlier of the consummation of a Business Combination or the date 7GC liquidates the Trust Account established in connection with 7GC's Initial Public Offering upon the failure of 7GC to consummate a Business Combination within the requisite time period. Upon the consummation of a Business Combination, the Sponsor shall have the option, but not the obligation, to convert the principal balance of the October 2023 7GC Note, in whole or in part, into that number of the Converted Shares, equal to the principal amount of the October 2023 7GC Note so converted divided by \$10.00.

Upon Closing of the Merger, Banzai assumed the 7GC Promissory Notes which remained outstanding as of December 31, 2023. As of December 31, 2023, \$2,540,091 was outstanding on the loans. See *Note 14-Debt* for further details of these transactions and associated balances and *Note 21-Subsequent Events* for details related to the subsequent conversion of the 7GC Promissory Notes, in 2024.



### ***Due to Related Party of 7GC***

During the year ended December 31, 2023, the Sponsor paid certain expenses on behalf of 7GC. Upon Closing of the Merger, Banzai assumed the \$67,118 liability. As of December 31, 2023, the entire balance remained outstanding and is included within due to related party under current liabilities on the accompanying consolidated balance sheet.

### ***Legacy Banzai Related Party Transactions***

During 2022 and 2023, Legacy Banzai issued Promissory Notes and Convertible Notes to related parties. See *Note 14-Debt* for further details related to these transactions and associated balances. Legacy Banzai also entered into Simple Agreements for Future Equity (SAFE) arrangements with related parties during 2021. See *Note 16-Simple Agreements for Future Equity* for further details of these transactions and associated balances.

## **7. Revenue**

Under ASC 606, revenue is recognized throughout the life of the executed agreement. The Company measures revenue based on considerations specified in terms and conditions agreed to by a customer. Furthermore, the Company recognizes revenue when a performance obligation is satisfied by transferring control of the service to the customer, which occurs over time.

The Company's services include providing end-to-end video engagement solutions that provide a fast, intuitive and powerful platform of marketing tools that create more intent-driven videos, webinars, virtual events and other digital and in-person marketing campaigns.

As noted within the SOW's and invoices, agreements range from monthly to annual and Banzai generally provides for net 30-day payment terms with the payment made directly through check or electronic means.

Banzai's Management believes its exposure to credit risk is sufficiently mitigated by collection through credit card sales or direct payment from established clients.

The Company follows the provisions of ASC 606, under which the Company recognizes revenue when the customer obtains control of promised goods or services, in an amount that reflects the consideration which is expected to be received in exchange for those goods or services. The Company recognizes revenues following the five-step model prescribed under ASC 606: (i) identify contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenues when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue.

### ***Nature of Products and Services***

The following is a description of the Company's products and services from which the Company generates revenue, as well as the nature, timing of satisfaction of performance obligations, and significant payment terms for each, as applicable:

#### ***Demio***

The Demio product is a full-stack technology that marketers can leverage live and automated for video marketing content such as webinars and virtual events. Software products are provided to Demio customers for a range of attendees and hosts within a specified time frame at a specified established price. The performance obligations identified include access to the suite and platform, within the parameters established, and within the standards established in the agreement. Contracts include a standalone selling price for the number of webinars and hosts as a performance obligation. There are no financing components and payments are typically net 30 of date or receipt of invoice. It is nearly 100% certain that a significant revenue reversal will not occur. The Company recognizes revenue for its sale of Demio services over time which corresponds with the period of time that access to the service is provided.

#### ***Reach***

While the Reach product is in the process of being phased out, the Company continues to generate revenues from the product. The Reach product provides a multi-channel targeted audience acquisition (via Reach) to bolster engagement and Return on Investment (ROI). Banzai enables marketing teams to create winning webinars and virtual and in-person events that increase marketing efficiency and drive additional revenue. Software products are provided to Reach customers for a range of simultaneous events and registrations within a specified time frame at a specified established price. The performance obligations identified include access to the suite and platform, within the parameters established, and within the standards established in the agreement. Contracts include a standalone selling price for the number of simultaneous published events as a performance obligation. There are no financing components and payments are typically net 30 of date or receipt of invoice. It is nearly 100% certain that a significant revenue reversal will not occur. The Company recognizes revenue for its sale of Reach services over time which corresponds with the timing the service is rendered.

#### ***Service Trade Revenue***

The Company has one customer for which the customer is also a vendor. For this one customer, the Company exchanged services for approximately \$375,000 and \$293,500, during the years ended December 31, 2023 and 2022, respectively.

### ***Disaggregation of Revenue***

The following table summarizes revenue by region based on the billing address of customers:

	<b>Year Ended December 31,</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>Percentage of Revenue</b>	<b>Amount</b>	<b>Percentage of Revenue</b>
Americas	\$ 2,677,050	59%	\$ 3,307,129	62%
Europe, Middle East and Africa (EMEA)	1,511,886	33%	1,588,539	30%
Asia Pacific	372,364	8%	437,311	8%
Total	<u>\$ 4,561,300</u>	<u>100%</u>	<u>\$ 5,332,979</u>	<u>100%</u>

## Contract Balances

### *Accounts Receivable, Net*

A receivable is recorded when an unconditional right to invoice and receive payment exists, such that only the passage of time is required before payment of consideration is due. The Company receives payments from customers based upon agreed-upon contractual terms, typically within 30 days of invoicing the customer. The timing of revenue recognition may differ from the timing of invoicing to customers.

	For The Years Ended December 31,			
	2023		2022	
	Opening Balance	Closing Balance	Opening Balance	Closing Balance
Accounts receivable, net	\$ 68,416	\$ 105,049	\$ 74,727	\$ 68,416

### *Costs to Obtain a Contract*

Sales commissions, the principal costs incurred to obtain a contract, are earned when the contract is executed. Management has capitalized these costs and amortized the commission expense over time in accordance with the related contract's term. For the years ended December 31, 2023 and 2022, commission expenses were \$299,450 and \$434,446, respectively. Capitalized commissions at the years ended December 31, 2023 and 2022 were \$51,472 and \$69,737, respectively, and are included within Prepaid expenses and other current assets on the Consolidated Balance Sheets.

The following summarizes the Costs to obtain a contract activity during the years ended December 31, 2023 and 2022:

Balance-December 31, 2021	\$	90,662
Commissions Incurred		343,003
Deferred Commissions Recognized		(363,928)
Balance-December 31, 2022		69,737
Commissions Incurred		242,810
Deferred Commissions Recognized		(261,075)
Balance-December 31, 2023	\$	51,472

## 8. Fair Value Measurements

The fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the years ended December 31, 2023 and 2022. The carrying amount of accounts payable approximated fair value as they are short term in nature.

### ***Fair Value on a Non-recurring Basis***

The fair value of non-financial assets measured at fair value on a non-recurring basis, classified as Level 3 in the fair value hierarchy, is determined based on using market-based approaches, or estimates of discounted expected future cash flows.

### ***Fair Value on a Recurring Basis***

The Company follows the guidance in ASC 820 *Fair Value Measurements and Disclosures* for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the Public Warrants liabilities represent Level 2 measurements. The estimated fair value of the convertible notes bifurcated embedded derivative liabilities, GEM warrant liabilities, Yorkville convertible note, and SAFE represent Level 3 measurements.

The following table presents information about the Company's financial instruments that are measured at fair value on a recurring basis at December 31, 2023 and 2022, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

<b>Description</b>	<b>Level</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Liabilities:</b>			
Warrant liabilities-public	2	\$ 575,000	\$ -
GEM warrant liabilities	3	\$ 641,000	\$ -
Yorkville convertible note	3	\$ 1,766,000	\$ -
Bifurcated embedded derivative liabilities	3	\$ -	\$ 845,473
Bifurcated embedded derivative liabilities-related party	3	\$ -	\$ 1,936,827
SAFE	3	\$ -	\$ 663,804
SAFE-related party	3	\$ -	\$ 8,802,196

### ***Warrant Liability-Public Warrants***

The Company assumed 230,000 Public Warrants in the Merger which remained outstanding as of December 31, 2023. The fair values of the Public Warrants are measured based on the listed market price of such warrants through December 31, 2023. See *Note 15-Warrant Liabilities* for further details.

For the period from December 14, 2023 through December 31, 2023, the Company recognized a benefit of approximately \$115,000 resulting from changes in the fair value of the derivative warrant liabilities, presented as change in fair value of warrant liabilities in the accompanying condensed consolidated statements of operations.

The estimated fair values of the Public Warrants prior to being separately listed and traded, were initially determined using Level 3 inputs. Inherent in a Monte Carlo simulation are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its common stock warrants based on implied volatility from the Company's traded warrants and from historical volatility of select peer company's common stock that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

The following tables set forth a summary of the changes in the fair value of the Public Warrants liability which are Level 2 financial liabilities that are measured at fair value on a recurring basis:

	<b>Fair Value</b>
Balance at December 31, 2022	\$ -
Merger date assumption of public warrants	460,000
Change in fair value	115,000
Balance at December 31, 2023	<u>\$ 575,000</u>

#### ***Warrant Liability-GEM Warrants***

The measurement of fair value of the GEM Warrants were determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion). Refer to *Note 15-Warrant Liabilities* for further details.

As of December 31, 2023, the Company recognized a benefit (loss) of approximately \$1,807,000, resulting from changes in the fair value of the derivative warrant liabilities, presented as change in fair value of warrant liabilities in the accompanying condensed consolidated statements of operations.

The following tables set forth a summary of the changes in the fair value of the GEM Warrants liability which are Level 3 financial liabilities that are measured at fair value on a recurring basis:

	<b>Fair Value</b>
Balance at December 31, 2022	\$ -
Issuance of GEM warrants	2,448,000
Change in fair value	(1,807,000)
Balance at December 31, 2023	<u>\$ 641,000</u>

#### ***Yorkville Convertible Note***

The measurement of fair value of the Yorkville convertible note were determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, term, volatility, risk-free rate, and probability of optional redemption). Refer to *Note 14-Debt* for further details.

Issuance of yorkville convertible note

As of December 31, 2023, the Company recognized a benefit (loss) of approximately \$(34,000) resulting from changes in the fair value of the Yorkville convertible note, presented as change in fair value of convertible promissory notes in the accompanying condensed consolidated statements of operations.

The following tables set forth a summary of the changes in the fair value of the Yorkville convertible note which is a Level 3 financial liability measured at fair value on a recurring basis:

	<b>Fair Value</b>
Balance at December 31, 2022	\$ -
Issuance of yorkville convertible note	1,800,000
Change in fair value	(34,000)
Balance at December 31, 2023	<u>\$ 1,766,000</u>

### ***Bifurcated Embedded Derivative Liability***

The fair value of the embedded put option was determined using a Black Scholes option pricing model. Estimating fair values of embedded conversion features requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Because the embedded conversion features are initially and subsequently carried at fair values, the Company's consolidated statements of operations will reflect the volatility in these estimate and assumption changes. On December 14, 2023, all outstanding principal and accrued interest, including the carrying value of any related embedded derivative, related to the Related Party Convertible Notes and Third Party Convertible Notes converted into the Company's Class A Common Stock pursuant to the close of the Merger Agreement. Refer to *Note 14-Debt* for further details.

The following tables set forth a summary of the changes in the fair value of the bifurcated embedded derivative liability, related to the Related Party and Third Party Convertible Debt, respectively, which are Level 3 financial liabilities that are measured at fair value on a recurring basis:

	Fair Value	
	Related Party	Third Party
Balance at December 31, 2021	\$ -	\$ 4,000
Issuance of convertible notes with bifurcated embedded derivatives	1,398,595	586,405
Issuance of CP BF convertible notes with bifurcated embedded derivative	1,375	625
Extinguishment of Old Alco Note derivative	(70,000)	-
Change in fair value	606,857	254,443
Balance at December 31, 2022	1,936,827	845,473
Issuance of convertible notes with bifurcated embedded derivative	1,126,451	559,390
Change in fair value	(3,063,278)	(1,404,863)
Balance at December 31, 2023	\$ -	\$ -

### ***Simple Agreements for Future Equity (SAFE)***

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements (the "SAFEs"). In the event of an Equity Financing (as defined in the SAFEs agreements), the SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The number of shares required to be issued to settle the SAFEs at the equity financing is variable, because that number will be determined by the discounted fair value of the Company's equity shares on the date of settlement (i.e., Discount Price). Regardless of the fair value of the shares on the date of settlement, the holder will receive a fixed monetary value based on the Purchase Amount of the SAFE. If there is a Liquidity Event or SPAC Transaction before the settlement or termination of the SAFEs, the SAFEs will automatically be entitled to receive a portion of Proceeds, due and payable immediately prior to, or concurrent with, the consummation of such Liquidity Event or SPAC Transaction, equal to the greater of (i) two times (2x) the Purchase Amount (the "Cash-Out Amount") or (ii) the amount payable on the number of shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (as defined in the SAFEs agreements). Refer to *Note 16-Simple Agreements for Future Equity* for additional information related to the Company's SAFEs.

The fair value of the SAFEs was determined using a scenario-based method for the pre-modification SAFE's and a Monte Carlo simulation method for the post-modification SAFEs. The value of the SAFE liability as of December 31, 2023 and 2022 is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The fair value of the SAFEs on the date of issuance was determined to be \$3,836,000. On December 14, 2023, all outstanding principal related to the Third Party SAFEs and Related Party SAFEs converted into the Company's Class A Common Stock pursuant to the close of the Merger Agreement. Refer to *Note 16-Simple Agreements for Future Equity* for further details.

The following tables set forth a summary of the activity of the Related Party and Third Party SAFE liabilities, respectively (See *Note 16-Simple Agreements for Future Equity* for further detail), which represents a recurring fair value measurement at the end of each reporting period:

	Fair Value	
	<i>Related Party</i>	<i>Third Party</i>
Balance at December 31, 2021	\$ 3,121,591	\$ 235,409
Change in fair value	4,078,431	307,569
Loss on modification	1,602,174	120,826
Balance at December 31, 2022	8,802,196	663,804
Change in fair value	(2,752,430)	(207,570)
Conversion of SAFEs	(6,049,766)	(456,234)
Balance at December 31, 2023	\$ -	\$ -

## 9. Property and Equipment

Property and equipment, net consisted of the following at the dates indicated:

	December 31,	
	2023	2022
Computers and equipment	\$ 30,867	\$ 30,866
Less: accumulated depreciation	(26,223)	(19,063)
Property and equipment, net	\$ 4,644	\$ 11,803

Depreciation expense for the years ended December 31, 2023 and 2022 was \$7,160 and \$9,588, respectively.

## 10. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following at the dates indicated:

	December 31,	
	2023	2022
Prepaid expenses and other current assets:		
Service Trade	\$ 364,384	\$ 97,875
Prepaid consulting costs	120,332	3,124
Prepaid data license and subscription costs	53,124	40,000
Prepaid commissions	51,472	69,737
Prepaid software costs	29,887	10,255
Prepaid merchant fees	26,224	26,401
Prepaid insurance costs	17,661	15,430
Prepaid advertising and marketing costs	11,074	32,178
Other current assets	66,997	38,507
Total prepaid expenses and other current assets	\$ 741,155	\$ 333,507

## 11. Goodwill

The following summarizes our goodwill activity during the years ended December 31, 2023 and 2022:

	<b>Total</b>
Goodwill-December 31, 2021	\$ 2,171,526
Impairment	-
Goodwill-December 31, 2022	<u>2,171,526</u>
Impairment	-
Goodwill-December 31, 2023	<u>\$ 2,171,526</u>

As the Company has one operating segment which was deemed to be its only reporting unit, goodwill is allocated to that one reporting unit and the carrying value is determined based on the equity of the entire company for purposes of evaluating goodwill impairment. The last quantitative goodwill impairment analysis was performed on December 31, 2022 where the Company determined that the carrying value of the Company's reporting unit was negative. As of December 31, 2023, the date of the last goodwill impairment analysis, the reporting unit had a negative carrying value. No impairment of goodwill was identified as of December 31, 2023 or 2022, respectively.

## 12. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following at the dates indicated:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accrued and other current liabilities:		
Accrued legal costs	\$ 2,694,439	\$ 31,355
Accrued accounting and professional services costs	1,511,889	94,573
Sales tax payable	314,873	230,617
Excise tax payable	223,717	-
Accrued payroll and benefit costs	185,504	95,947
Deposits	54,102	-
Accrued streaming service costs	37,765	-
Accrued subscription costs	22,110	28,774
Accrued offering costs	-	261,090
Other current liabilities	149,841	3,017
Total accrued and other current liabilities	<u>\$ 5,194,240</u>	<u>\$ 745,373</u>

## 13. Deferred Revenue

Deferred revenue represents amounts that have been collected in advance of revenue recognition and is recognized as revenue when transfer of control to customers has occurred or services have been provided. The deferred revenue balance does not represent the total contract value of annual or multi-year, non-cancelable revenue agreements. Differences between the revenue recognized per the below schedule, and the revenue recognized per the consolidated statement of operations, reflect amounts not recognized through the deferred revenue process, and which have been determined to be insignificant. For the year ended December 31, 2023, the Company recognized \$930,436 in revenue that was included in the prior year deferred revenue balance.



The change in deferred revenue was as follows for the periods indicated:

	December 31,	
	2023	2022
Deferred revenue, beginning of period	\$ 930,436	\$ 1,060,040
Billings	4,781,924	5,040,665
Revenue recognized (prior year deferred revenue)	(930,436)	(1,004,697)
Revenue recognized (current year deferred revenue)	(3,567,828)	(4,165,572)
Deferred revenue, end of period	\$ 1,214,096	\$ 930,436

#### 14. Debt

##### *Convertible Notes*

##### *Convertible Notes-Related Party*

On March 21, 2022, the Company issued a subordinated convertible promissory note (“Old Alco Note”) for a principal sum of \$2,000,000 to Alco Investment Company (“Alco”), a related party. Alco held approximately 5% of the issued equity of the Company, through its ownership of Series A preferred stock. The Old Alco Note bore interest at a rate of 15% per annum until exchanged. The outstanding principal and accrued interest were due and payable on December 31, 2023 (“Original Maturity Date”), provided that, Alco could elect to extend the Original Maturity Date up to two times by additional 12-month increments by delivering written notice to the Company prior to the Original Maturity Date of such election. The outstanding principal and interest under the Old Alco Note was, at the Holder’s election, either (i) effective upon the closing of an Equity Financing (as defined in the agreement), to be converted into shares of the same series of preferred stock of the Company issued to other investors in the Equity Financing (the “Equity Financing Securities”) at a conversion price equal to 85% of the price per share of Equity Financing Securities paid by the other investors in the Equity Financing, with any resulting fraction of a share rounded to the nearest whole share (with 0.5 being rounded up) (the “Conversion Option”) or (ii) immediately prior to the closing of an Equity Financing, become due and payable in cash.

The embedded redemption put feature upon an Equity Financing is not clearly and closely related to the debt host instrument, was separated from the debt host and initially measured at fair value. Subsequent changes in fair value of the feature are recognized in the Consolidated Statement of Operations. The fair value (see *Note 8-Fair Value Measurements*) of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative.

Discounts to the principal amounts were included in the carrying value of the Old Alco Note and amortized to interest expense over the remaining term of the underlying debt. During 2022, the Company recorded a \$151,000 debt discount upon issuance of the Old Alco Note. For the year ended December 31, 2022, interest expense on the Old Alco Note totaled \$124,621, comprised of \$100,274 of contractual interest and \$24,347 for the amortization of the discount. The effective interest rate was 20% prior to the exchange of the Old Alco Note as noted below.

On July 19, 2022, the Company and Alco entered into an exchange agreement whereby Alco and the Company agreed to the cancellation of the Old Alco Note in exchange for the issuance of a new subordinated convertible promissory note in the principal amount of \$2,101,744 (representing the principal amount plus accrued interest under the Old Alco Note) (the “New Alco Note”). In accordance with ASC 470 *Debt*, the Company treated the Old Alco Note as extinguished and recognized a loss on debt extinguishment of \$56,653, determined by the sum of the fair value of the New Alco Note in excess of the carrying value of the Old Alco Note less the bifurcated embedded derivative liability at the time of the modification.

Between July and September 2022, the Company issued additional subordinated convertible notes (together with the New Alco Note, the “2022 Related Party Convertible Notes”) for an aggregate amount of \$4,200,538 to related parties Alco, Mason Ward and DNX. Between March and September 2023, the Company issued additional subordinate convertible notes (together with the 2022 Related Party Convertible Notes, the “Related Party Convertible Notes”) for an aggregate amount of \$2,583,000 to related parties Alco, Mason Ward, DNX and William Bryant. DNX held in excess of 5% of the issued equity of the Company, through its ownership of Series A preferred stock. William Bryant will become a member of the Board of Directors upon completion of the Merger. The Related Party Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of the Company to be issued to other investors upon a Qualified Financing (as defined in the agreement) at a conversion price equal to the lesser of (i) 80% of the per share price paid by the cash purchasers of such Qualified Financing Securities (as defined in the agreement) in the Qualified Financing, or (ii) the conversion price obtained by dividing \$50,000,000 by the Fully Diluted Capitalization (as defined in the agreement). If not sooner converted or prepaid, the Convertible Notes are payable no later than the earlier of (a) the written demand by the holders of a majority-in-interest of the Notes then outstanding on or after September 1, 2023, (b) consummation of a Liquidity Event (as defined in the agreement), or (c) the written demand by the Majority Holders (as defined in the agreement) after an Event of Default (as defined in the agreement) has occurred. In the event of a Liquidity Event (as defined below) while this Note is outstanding, immediately prior to the closing of such Liquidity Event and in full satisfaction of this Note, an amount equal to the greater of (a) the Outstanding Amount, or (b) two times (2x) the principal amount of this Note then outstanding shall become immediately due and payable in cash.

The embedded redemption put feature upon an Equity Financing and the optional redemption upon a Liquidity Event at a substantial premium are not clearly and closely related to the debt host instrument, were separated and bundled together, assigned probabilities of being affected and initially measured at fair value. Subsequent changes in fair value of the feature will be recognized in the Consolidated Statement of Operations. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative (see *Note 8-Fair Value Measurements*).

Discounts to the principal amounts are included in the carrying value of the Related Party Convertible Notes and amortized to interest expense over the contractual term of the underlying debt. During 2022, the Company recorded a \$1,311,025 debt discount upon issuance of the above described Related Party Convertible Notes, which is comprised of \$1,292,777 related to the bifurcated derivative and \$18,248 of debt issuance costs. During the year ended December 31, 2023, the Company recorded a \$1,126,451 debt discount upon issuance of additional Related Party Convertible Notes. For the year ended December 31, 2023, interest expense on the Related Party Convertible Notes totaled \$2,307,013, comprised of \$464,071 of contractual interest and \$1,842,942 for the amortization of the discount.

#### *March 2023 Amendment*

In March 2023, the 2022 Related Party Convertible Notes were amended to extend the maturity to December 31, 2023. The Company evaluated the terms of the First Amendment in accordance with ASC 470-60, Troubled Debt Restructurings, and ASC 470-50, Debt Modifications and Extinguishments. The Company determined that the Company was granted a concession by the lender based on the decrease of the effective borrowing rate on the First Amendment. Accordingly, the Company accounted for the First Amendment as a troubled debt restructuring. As a result, the Company accounted for the troubled debt restructuring by calculating a new effective interest rate for the First Amendment based on the carrying amount of the debt and the present value of the revised future cash flow payment stream. The troubled debt restructuring did not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

### *Conversion of Related Party Convertible Notes*

On December 14, 2023, all outstanding principal and accrued interest, net of the remaining debt discount, related to the Related Party Convertible Notes, totaling \$7,271,368 converted into 22,929 shares the Company's Class A Common Stock pursuant to the close of the Merger Agreement and application of the exchange ratio.

### *Convertible Notes-Third Party*

Between July and September 2022, the Company issued additional subordinated convertible notes (the "2022 Third Party Convertible Notes") for an aggregate amount of \$1,761,206 to third-party creditors. Between March and September 2023, the Company issued additional subordinate convertible notes (together with the 2022 Third Party Convertible Notes, the "Third Party Convertible Notes") for an aggregate amount of \$1,435,000 to third-party creditors. The Third Party Convertible Notes bear interest at a rate of 8% per annum, and are convertible into the same series of capital stock of the Company to be issued to other investors upon a Qualified Financing (as defined in the agreement) at a conversion price equal to the lesser of (i) 80% of the per share price paid by the cash purchasers of such Qualified Financing Securities (as defined in the agreement) in the Qualified Financing, or (ii) the conversion price obtained by dividing \$50,000,000 by the Fully Diluted Capitalization (as defined in the agreement). If not sooner converted or prepaid, the Convertible Notes are payable no later than the earlier of (a) the written demand by the holders of a majority-in-interest of the Notes then outstanding on or after September 1, 2023, (b) consummation of a Liquidity Event (as defined in the agreement), or (c) the written demand by the Majority Holders (as defined in the agreement) after an Event of Default (as defined in the agreement) has occurred. In the event of a Liquidity Event (as defined below) while this Note is outstanding, immediately prior to the closing of such Liquidity Event and in full satisfaction of this Note, an amount equal to the greater of (a) the Outstanding Amount, or (b) two times (2x) the principal amount of this Note then outstanding shall become immediately due and payable in cash.

The embedded redemption put feature upon an Equity Financing and the optional redemption upon a Liquidity Event at a substantial premium are not clearly and closely related to the debt host instrument, were separated and bundled together, assigned probabilities of being affected and initially measured at fair value. Subsequent changes in fair value of the feature will be recognized in the Consolidated Statement of Operations. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative (see *Note 8-Fair Value Measurements*).

Discounts to the principal amounts are included in the carrying value of the Third Party Convertible Notes and amortized to interest expense over the contractual term of the underlying debt. During 2022, the Company recorded a \$548,871 debt discount upon issuance of the Third Party Convertible Notes, which is comprised of \$541,223 related to the bifurcated derivative and \$7,648 of debt issuance costs. During the year ended December 31, 2023, the Company recorded a \$559,390 debt discount upon issuance of additional Third Party Convertible Notes. For the year ended December 31, 2023, interest expense on the Third Party Convertible Notes totaled \$1,063,093, comprised of \$188,059 of contractual interest and \$875,034 for the amortization of the discount.

### *March 2023 Amendment*

In March 2023, the 2022 Related Party Convertible Notes were amended to extend the maturity to December 31, 2023. The Company evaluated the terms of the First Amendment in accordance with ASC 470-60, Troubled Debt Restructurings, and ASC 470-50, Debt Modifications and Extinguishments. The Company determined that the Company was granted a concession by the lender based on the decrease of the effective borrowing rate on the First Amendment. Accordingly, the Company accounted for the First Amendment as a troubled debt restructuring. As a result, the Company accounted for the troubled debt restructuring by calculating a new effective interest rate for the First Amendment based on the carrying amount of the debt and the present value of the revised future cash flow payment stream. The troubled debt restructuring did not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

### Conversion of Third Party Convertible Notes

On December 14, 2023, all outstanding principal and accrued interest, net of the remaining debt discount, related to the Third Party Convertible Notes, totaling \$3,346,232 converted into 10,597 shares the Company's Class A Common Stock pursuant to the close of the Merger Agreement and application of the exchange ratio.

The following table presents the Related Party and Third Party Convertible Notes, respectively, as of December 31, 2023:

	<i>Related Party</i>	<i>Third Party</i>
Face value of the convertible notes	\$ 6,783,538	\$ 3,196,206
Debt discount, net	(131,867)	(83,688)
Carrying value of the convertible notes	6,651,671	3,112,518
Accrued interest	619,697	233,714
Conversion of convertible notes	(7,271,368)	(3,346,232)
Total convertible notes and accrued interest	\$ -	\$ -

The following table presents the Related Party and Third Party Convertible Notes, respectively, as of December 31, 2022:

	<i>Related Party</i>	<i>Third Party</i>
Face value of the convertible notes	\$ 4,200,538	\$ 1,761,206
Debt discount, net	(849,656)	(398,034)
Carrying value of the convertible notes	3,350,882	1,363,172
Accrued interest	155,626	45,654
Total convertible notes and accrued interest	\$ 3,506,508	\$ 1,408,826

### Promissory Notes

#### Promissory Notes-Related Party

On August 30, 2023, the Company issued a subordinate promissory note ("Alco August Promissory Note") in the aggregate principal amount of \$150,000 to Alco Investment Company, a related party. Alco held its ownership of over 10% of the issued equity of the Company, through its ownership of Series A preferred stock. The Alco August Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on April 29, 2024. The Company recorded a \$3,711 debt discount upon issuance of the Alco August Promissory Note. For the year ended December 31, 2023, interest expense on the Alco August Promissory Note totaled \$4,494, comprised of \$4,044 of contractual accrued interest and \$450 for the amortization of the discount. As of December 31, 2023, \$150,000 of principal and \$4,044 of accrued interest is outstanding under the Alco August Promissory Note recorded in note payable-related party on the balance sheets.

On September 13, 2023, the Company issued a subordinate promissory note (“Alco September Promissory Note”) in the aggregate principal amount of up to \$1,500,000 to Alco Investment Company, a related party. The Alco September Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on January 10, 2024. The Company recorded \$8,588 of debt issuance costs and a \$638,808 debt discount upon issuance of the Alco September Promissory Note, relating to the share transfer agreements, see below. For the year ended December 31, 2023, interest expense on the Alco September Promissory Note totaled \$478,815, comprised of \$30,575 of contractual accrued interest and \$448,240 for the amortization of the discount. As of December 31, 2023, \$1,500,000 of principal and \$30,575 of accrued interest is outstanding under the Alco September Promissory Note recorded in note payable-related party on the balance sheets.

In connection with the issuance of the Alco September Promissory Note, the Company, 7GC and the Sponsor entered into a share transfer agreement (the “Alco October Share Transfer Agreement”) with Alco Investment Company, pursuant to which for each \$500.00 in principal borrowed under the Alco September Promissory Note, the Sponsor agreed to forfeit one share of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive one New Banzai Class A Share, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 3,000. Pursuant to the Alco October Share Transfer Agreement, the shares are subject to an 180-day lock-up period upon issuance of the shares.

On November 16, 2023, the Company issued a subordinate promissory note (“Alco November Promissory Note”) in the aggregate principal amount of up to \$750,000 to Alco Investment Company, a related party. The Alco November Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on April 13, 2024. The Company recorded a \$363,905 debt discount upon issuance of the Alco November Promissory Note relating to the share transfer agreements, see below. For the year ended December 31, 2023, interest expense on the Alco November Promissory Note totaled \$94,005, comprised of \$7,397 of contractual accrued interest and \$86,608 for the amortization of the discount. As of December 31, 2023, \$750,000 of principal and \$7,397 of accrued interest is outstanding under the Alco November Promissory Note recorded in note payable-related party on the consolidated balance sheets.

In connection with the issuance of the Alco November Promissory Note, the Company, 7GC and the Sponsor entered into a share transfer agreement (the “November 2023 Share Transfer Agreement”) with Alco Investment Company, pursuant to which for each \$500.00 in principal borrowed under the Alco November Promissory Note, the Sponsor agreed to forfeit one share of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive one New Banzai Class A Share, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 1,500. Pursuant to the November 2023 Transfer Agreement, the shares are subject to an 180-day lock-up period upon issuance of the shares.

On December 13, 2023, the Company issued a subordinate promissory note (“Alco December Promissory Note”) in the aggregate principal amount of up to \$2,000,000 to Alco Investment Company, a related party. The Alco December Promissory Note bears interest at a rate of 8% per annum. The outstanding principal and accrued interest are due and payable on December 31, 2024. The Company recorded a \$1,496,252 debt discount upon issuance of the Alco December Promissory Note, relating to the share transfer agreements, see below. For the year ended December 31, 2023, interest expense on the Alco December Promissory Note totaled \$39,087, comprised of \$7,890 of contractual accrued interest and \$31,197 for the amortization of the discount. As of December 31, 2023, \$2,000,000 of principal and \$7,890 of accrued interest is outstanding under the Alco December Promissory Note recorded in note payable - related party on the consolidated balance sheets.

In connection with the issuance of the Alco December Promissory Note, the Company, 7GC and the Sponsor entered into a share transfer agreement (the “December 2023 Share Transfer Agreement”, together with the November 2023 Share Transfer Agreement and Alco October Share Transfer Agreement, the “Alco Share Transfer Agreements”) with Alco Investment Company, pursuant to which for each \$500.00 in principal borrowed under the December 2023 Note, the Sponsor agreed to forfeit three shares of 7GC Class B Common Stock held by the Sponsor, in exchange for the right of Alco to receive three New Banzai Class A Shares, in each case, at (and contingent upon) the Closing, with such forfeited and issued shares capped at an amount equal to 12,000. Pursuant to the December Share 2023 Transfer Agreement, the shares are subject to an 180-day lock-up period upon issuance of the shares.

For the Alco Share Transfer Agreements, the Company considered the guidance under ASC 815, Derivatives and Hedging, and determined that the Investor Shares underlying each of the Share Transfer Agreements described above, met the definition of a freestanding financial instrument and are not precluded from being considered indexed to the Company's common stock. The Company determined that these shares represent a freestanding equity contract issued to the lender, resulting in a discount recorded on the notes when they are issued.

Equity-classified contracts are initially measured at fair value (or allocated value). Subsequent changes in fair value are not recognized if the contracts continue to be classified in equity. The measurement of fair value was determined utilizing various put option models in estimating the discount lack of marketability (the "DLOM") applied to the public share price as the shares underlying each of the Share Transfer Agreements are subject to a lock-up period pursuant to each agreement, to estimate the fair value of the shares transferred. Option pricing models assume that the cost to purchase a stock option relates directly to the measurement of the DLOM. The logic behind these models is that investors may be able to quantify this price risk, due to lack of marketability, over a particular holding period where price volatility is usually estimated as a proxy for risk. The inputs and assumptions utilized in the fair value estimation included the Company's stock price on the measurement date, a DLOM as described above, the number of shares pursuant to each Share Transfer Agreement, and a probability weighted factor for the Company's expected percentage of completing its Business Combination, at each Share Transfer Agreement date.

For the Alco September Promissory Note, of which \$1,000,000 was drawn on September 13, 2023, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 272 days (approximately 0.77 years) measured from the date of issuance of the \$1,000,000 of proceeds under the September Note through the issuance of the shares under the Alco October Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 54.0%; and a risk-free rate commensurate with the term of 5.3%. The put option models provided a DLOM range of 10.7% to 16.0% and the concluded DLOM was estimated to be 12.5%. The Company's expected percentage of completing the Merger on this date was 80%.

For the remaining \$500,000 drawn on the Alco September Promissory Note on October 3, 2023, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 252 days (approximately 0.72 years) measured from the date of issuance of the remaining \$500,000 of proceeds under the September Note through the issuance of the shares under the Alco October Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 52.0%; and a risk-free rate commensurate with the term of 5.4%. The put option models provided a DLOM range of 10.0% to 15.0% and the concluded DLOM was estimated to be 11.5%. The Company's expected percentage of completing the Merger on this date was 80%.

For the Alco November Promissory Note, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 208 days (approximately 0.60 years) measured from the issuance date of the November Note through the issuance of the shares under the November 2023 Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 54.0%; and a risk-free rate commensurate with the term of 5.2%. The put option models provided a DLOM range of 9.5% to 15.0% and the concluded DLOM was estimated to be 11.5%. The Company's expected percentage of completing the Merger on this date was 100%.

For the Alco December Promissory Note, the DLOM was estimated using the put option models described above and the following assumptions: a holding period for the shares of 180 days (approximately 0.49 years) measured from the issuance date of the December Note through the issuance of the shares under the December 2023 Share Transfer Agreement on December 14, 2023 at which time the 180-day lock-up period commenced; a re-levered equity volatility estimated using guideline public companies of 47.0%; and a risk-free rate commensurate with the term of 5.2%. The put option models provided a DLOM range of 7.5% to 12.0% and the concluded DLOM was estimated to be 9.0%. The Company's expected percentage of completing its Business Combination on this date was 100%.

### *Modification of Alco September Promissory Note*

In December 2023, the September 2023 Alco Promissory Note was amended to extend the maturity date to September 30, 2024. Alco is a related party to the Company due to its ownership of over 10% of the issued equity of the Company. The Company evaluated the terms of the Amendment in accordance with ASC 470-60, Troubled Debt Restructurings, and ASC 470-50, Debt Modifications and Extinguishments. The Company determined that the Company was granted a concession by the lender based on the decrease of the effective borrowing rate resulting from the First Amendment. Accordingly, the Company accounted for the Amendment as a troubled debt restructuring. As a result, the Company accounted for the troubled debt restructuring by calculating a new effective interest rate for the Amendment based on the carrying amount of the debt and the present value of the revised future cash flow payment stream. The troubled debt restructuring did not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense to be recognized in future periods.

### *Promissory Notes-7GC*

The Company assumed two promissory notes in connection with the Merger which remained outstanding as of December 31, 2023. The promissory notes were issued on December 21, 2022 for a principal amount of \$2,300,000 (“December 2022 7GC Note”) and on October 3, 2023 for a principal amount of \$250,000 (“October 2023 7G Note, together with the December 2022 7GC Note, the “7GC Promissory Notes”). The 7GC Promissory Notes were issued to the Sponsor, 7GC & Co. Holdings LLC. The 7GC Promissory Notes do not bear interest and were repayable in full upon the earlier of the consummation of a business combination or the date the Company liquidates the trust account (the “Trust Account”) established in connection with the Company’s initial public offering (the “IPO”) upon the failure of the Company to consummate a business combination within the requisite time period. Under the original terms of the 7GC Promissory Notes, the Sponsor has the option, but not the obligation, to convert the principal balance of the Note, in whole or in part, into that number of shares of Class A common stock, \$0.0001 par value per share, of the Company equal to the principal amount of the Note so converted divided by \$10.00. As of December 31, 2023 and the Merger date, \$2,550,000 was outstanding under the 7GC Promissory Notes. The combined balance of the outstanding amount of \$2,550,000 offset by the effect of the modification as discussed below of \$9,909 results in the \$2,540,091 balance recorded on Consolidated Balance Sheets in Convertible notes-related party. See *Note 6-Related Party Transactions* for further details of these transactions and associated balances and *Note 21-Subsequent Events* for details related to the subsequent conversion of the 7GC Promissory Notes, in 2024.

### *Modification of Promissory Notes-7GC*

On December 12, 2023, in connection with the Merger, the Sponsor came to a non-binding agreement (“First Amendment”) with the Company to amend the optional conversion provision of the 7GC Promissory Notes. The First Amendment provided that the holder has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the closing of the Merger (the “Closing”) at a conversion price equal to the average daily VWAP of Class A Common Stock for the 30 trading days following the Closing. This amendment was deemed to be a debt modification in accordance with ASC 470, Debt, which will be accounted for prospectively. Modification does not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future. Pursuant to ASC 470, if the modification or exchange of a convertible debt instrument is not accounted for as an extinguishment, the accounting for the change in the fair value of the embedded conversion option which increases the value of the embedded conversion option (calculated as the difference between the fair value of the embedded conversion option immediately before and after the modification or exchange) is recorded as a reduction to the carrying amount of the 7GC Promissory Notes with a corresponding increase to additional paid in capital. At the time of modification, it was determined the embedded conversion option value increased by \$9,909 and was recorded as a reduction to the carrying amount of the 7GC Promissory Notes which are recorded on the Consolidated Balance Sheets in Convertible notes-related party.

### ***Convertible Promissory Notes (Yorkville)***

On December 14, 2023, in connection with and pursuant to the terms of its Standby Equity Purchase Agreement (“SEPA”) with YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP (“Yorkville”), (refer to *Note 18-Equity* for further details), Yorkville agreed to advance to the Company, in exchange for convertible promissory notes, an aggregate principal amount of up to \$3,500,000, \$2,000,000 of which was funded at the Closing in exchange for the issuance by the Company of a Convertible Promissory Note (the “Yorkville Convertible Note”) and \$1,500,000 of which (the “Second Tranche”) will be funded upon the effectiveness of a registration statement for the resale under the Securities Act by Yorkville of the shares of Class A common stock issued under the SEPA pursuant to an Advance requested to be included in such registration statement; provided that if at the time of the initial filing of the registration statement, shares issuable under the Exchange Cap multiplied by the closing price on the day prior to such filing is less than \$7,000,000, the Second Tranche will be further conditioned upon the Company obtaining stockholder approval to exceed the Exchange Cap. The registration statement was declared effective on February 14, 2024, and the value of shares issuable upon the initial filing of the registration statement was less than \$7,000,000. On March 25, 2024 the Company obtained stockholder approval to exceed the Exchange Cap and the Second Tranche was funded.

The Company received net proceeds of \$1,800,000 million after a non-cash original issue discount of \$.2 million.

The Yorkville Convertible Note has a maturity date of June 14, 2024, and accrues interest at 0% per annum, subject to an increase to 18% per annum upon events of default as defined in the agreement. As of December 31, 2023, no events of default have occurred.

Additionally, Yorkville has the right to convert any portion of the outstanding principal into shares of Class A common stock at any time. The number of shares issuable upon conversion is equal to the amount of principal to be converted (as specified by Yorkville) divided by the Conversion Price (as defined in the Standby Equity Purchase Agreement disclosure below). Yorkville will not have the right to convert any portion of the principal to the extent that after giving effect to such conversion, Yorkville would beneficially own in excess of 9.99% of the total number of shares of Class A common stock outstanding after giving effect to such conversion.

Additionally, the Company, at its option, shall have the right, but not the obligation, to redeem early a portion or all amounts outstanding under the Promissory Notes at a redemption amount equal to the outstanding principal balance being repaid or redeemed, plus a 10% prepayment premium, plus all accrued and unpaid interest; provided that (i) the Company provides Yorkville with no less than ten trading days’ prior written notice thereof and (ii) on the date such notice is issued, the VWAP of Class A common stock is less than the Fixed Price.

Upon the occurrence of certain triggering events, as defined in the Yorkville Convertible Note agreement (each an “Amortization Event”), the Company may be required to make monthly repayments of amounts outstanding under the Yorkville Convertible Note, with each monthly repayment to be in an amount equal to the sum of (x) \$1,000,000, plus (y) 10% in respect of such amount, and (z) all outstanding accrued and unpaid interest as of each payment date. See *Note 21-Subsequent Events* for details related to the receipt by the Company of an amortization event waiver, from Yorkville, in January, 2024.

As of December 31, 2023, the principal amount outstanding under the Yorkville Convertible Note is \$2 million. During the year ended December 31, 2023, the Company recorded interest expense of \$0 in connection with the Yorkville Convertible Note.

The Yorkville Convertible Note is required to be measured at fair value pursuant to ASC 480 *Distinguishing Liabilities from Equity* (“ASC 480”) at the date of issuance, December 14, 2023, and in subsequent reporting periods, due to the variable share-settled feature described above in which, if converted, the value to be received by Yorkville fluctuates based on something other than the fair value of the Company’s common stock. The fair value of the Yorkville Convertible Note as of December 14, 2023 and December 31, 2023 was \$1,800,000 and \$1,766,000, respectively. The Company used a Monte Carlo simulation model in order to determine the Yorkville Convertible Note’s fair value at December 14, 2023, with the following inputs: the fair value of the Company’s common stock of \$10.96 on the issuance date, estimated equity volatility of 43%, the time to maturity of 0.5 years, a discounted market interest rate of 14.9%, a risk free rate of 5.30%, and probability of optional redemption 10.0%.

During the year ended December 31, 2023, the Company recorded a gain of \$34,000 related to the change in fair value of the Yorkville Convertible Note liability. The Company used a Monte Carlo simulation model in order to determine the Yorkville Convertible Note’s fair value at December 31, 2023, with the following inputs: the fair value of the Company’s common stock of \$1.88 on December 31, 2023, estimated equity volatility of 71%, the time to maturity of 0.46 years, a discounted market interest rate of 14%, a risk free rate of 5.28%, and probability of optional redemption 10.0%.



### ***Term and Convertible Notes (CP BF)***

On February 19, 2021, the Company entered into a loan agreement with CP BF Lending, LLC (“CP BF”) for \$8,000,000 (the “Loan Agreement”). The Loan Agreement was comprised of a Term Note for \$6,500,000 and a Convertible Note for \$1,500,000, with the option upon the request of the Company for Additional Loan (“Additional Loan”) principal amount of up to \$7,000,000, evidenced by additional notes with 81.25% of the principal amount of such Additional Loan being evidenced by a Term Note, and 18.75% of the principal amount of such an Additional Loan being evidenced by a Convertible Note. The Term Note bears cash interest at a rate of 14% per annum paid monthly and accrued interest payable-in-kind (“PIK”) cumulatively at 1.5% per annum. The outstanding principal balance of the Term Note together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on February 19, 2025 (“Loan Maturity Date”). The Convertible Note accrues PIK interest cumulatively at a rate of 15.5% per annum, and is convertible into Class A Common Stock upon Qualified Financing (as defined in the agreement), upon a Change of Control (as defined in the agreement), upon Prepayment, or at Maturity at a fixed conversion price. If not sooner converted or prepaid, the Convertible Note principal together with accrued and unpaid interest thereon, unpaid fees and expenses and any other Obligations then due, shall be paid on the Loan Maturity Date. Upon the occurrence, and during the continuance, of an Event of Default (as defined in the agreement), interest on the Term Note will bear cash interest at a per annum rate of 20% (“Default Rate”) and no PIK interest shall accrue at any time during an Event of Default and the Convertible Note will bear PIK Interest at a per annum at the Default Rate.

Additionally, the Company may voluntarily prepay the Principal of the Loans, in accordance with their terms, in whole or in part at any time. On the date of any such prepayment, the Company will owe to Lender: (i) all accrued and unpaid Cash Interest with respect to the principal amount so prepaid through the date the prepayment is made; (ii) if such prepayment is prior to the twelve-month anniversary of the Closing Date, all unpaid interest (including for the avoidance of doubt, PIK Interest and Cash Interest) with respect to the principal amount so prepaid that would have been due and payable on or prior to the twelve-month anniversary of the Closing Date had the Loans remained outstanding until such twelve-month anniversary date (the “Yield Maintenance Premium”); (iii) the Exit Fee with respect to the principal amount so prepaid, calculated as 1.0% of the outstanding principal balance of the Loans, with only the portion of the principal balance so converted counted for purposes of determining the applicable Exit Fee; and provided further, that, in the event of a partial prepayment of the Loans, the Exit Fee shall be calculated on the principal amount so repaid and not on the entire outstanding principal balance thereof, and (iv) all other Obligations, if any, that shall have become due and payable hereunder with respect to the principal amount so prepaid.

The Loan Agreement contains customary covenants, including restrictions on the Company’s ability to incur indebtedness, grant liens or security interest on assets, make acquisitions, loans, advances or investments, or sell or otherwise transfer assets, among others. The Loan Agreement also contains other financial covenants related to minimum gross profit margin, minimum ARR (Annual Recurring Revenue) growth rate, and fixed charge ratio, among other financial covenants per the terms of the Loan Agreement. The Loan Agreement is secured by a first-priority Lien (subject to Permitted Liens) on and security interest in the Collateral pursuant to the terms of the Collateral Documents. The Loan Agreement named Joseph Davy, CEO, as Guarantor, and per the term of the Loan Agreement, he is willing to guarantee the full payment, performance and collection of all of the Credit Parties’ obligations thereunder and under the Loan Agreement, all as further set forth therein.

For all respective periods presented, the Company was not in compliance with the Minimum Gross Profit Margin covenant in section 7.14.1 of the Loan Agreement, the Minimum ARR Growth covenant in section 7.14.2 of the Loan Agreement, and the Fixed Charge Coverage Ratio covenant in section 7.14.3 of the Loan Agreement. As a result of the Company’s noncompliance with the financial covenants, the entire principal amount and all unpaid and accrued interest will be classified as current on the Company’s consolidated balance sheets.

Upon the occurrence of an Event of Default, and at any time thereafter unless and until such Event of Default has been waived by CP BF or cured to the satisfaction of Lender, subject to the exercise of customary commercial underwriting standards in determining such satisfaction, Lender may, without notice or demand to the Credit Parties declare the unpaid principal of and any accrued interest shall be immediately due and payable. While the Company and the Lender are engaged in good faith discussions to resolve these matters, no agreement to resolve such matters has been reached and all of the Loans remain in default for the reasons stated above, and the Lender is not presently exercising remedies, which the Lender reserves the right to so do at any time.

On February 19, 2021, the Company capitalized \$310,589 and \$71,674 of costs associated with the issuance of the Term Note and Convertible Notes, respectively, and amortizes these costs to interest expense over the term of the debt, using the effective interest method. The capitalized debt issuance costs are presented as a reduction of the carrying value of the Term Note and Convertible Notes.

The embedded redemption put feature upon a Prepayment and Default Interest triggering events that are unrelated to the creditworthiness of the Company are not clearly and closely related to the debt host instrument, were separated and bundled together, as a derivative and assigned probabilities of being affected and initially measured at fair value in the amount of \$3,000. Subsequent changes in fair value of the feature will be recognized as a gain or loss in the Consolidated Statement of Operations. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative (See *Note 8-Fair Value Measurements*).

On October 10, 2022 the Loan Agreement was amended, where CP BF waived payment by the Company of four months of cash interest with respect to the Term Note in replacement for a Convertible Note (“First Amendment Convertible Note”) in the principal amount of \$321,345, which is not considered an Additional Loan as defined above. The First Amendment Convertible Note has the same features as the Convertible Note described above.

Discounts to the principal amounts, relating to the debt issuance costs and embedded features, are included in the carrying value of the Convertible Notes and amortized to interest expense over the remaining term of the underlying debt. During 2022, the Company recorded a \$2,000 debt discount upon issuance of the Convertible Notes. For the year ended December 31, 2023, interest expense on the Term Note totaled \$1,140,106, comprised of \$1,058,230 of contractual interest and \$81,876 for the amortization of the discount. The effective interest rate for the Term Note was 16% for years ended December 31, 2023 and 2022. For the year ended December 31, 2023, interest expense on the Convertible Notes totaled \$422,507, comprised of \$395,575 of contractual interest and \$26,932 for the amortization of the discount. The effective interest rate for the CP BF Convertible Note and First Amendment Convertible Note was 16% for the years ended December 31, 2023 and 2022. For the year ended December 31, 2022, interest expense on the Term Note totaled \$1,110,296, comprised of \$1,042,291 of contractual interest and \$68,006 for the amortization of the discount. For the year ended December 31, 2022, interest expense on the Convertible Notes totaled \$319,743, comprised of \$303,121 of contractual interest and \$16,622 for the amortization of the discount.

The Company utilizes a combination of scenario-based methods and Black-Scholes option pricing models to determine the average share count outstanding at conversion and the simulated price per share for the Company as of the valuation date. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

#### *Modification of Term and Convertible Notes (CP BF)*

On August 24, 2023, the Company entered into a forbearance agreement (the “Forbearance Agreement”) with CP BF Lending. Under the terms of this Forbearance Agreement, and as a result of the Company’s non-compliance with certain covenants of its Loan Agreement with CP BF, CP BF agreed to (i) amend certain provisions of the Loan Agreement to clarify the treatment of the Merger with 7GC under the Loan Agreement, (ii) consent to the consummation of the Merger Agreement with 7GC and (iii) forbear from exercising any of its rights and remedies under the Loan Agreement with the Company from the effective date of the Forbearance Agreement until the earlier of (a) the four-month anniversary of the closing of the Merger if the Merger is closed on or prior to December 29, 2023, (b) December 29, 2023 if the Merger is not consummated on or prior to December 29, 2023 or (c) the date on which any Termination Event (as defined within the Forbearance Agreement) shall have occurred. In connection with the Forbearance Agreement, CP BF and the Company also agreed to amend and restate CP BF’s existing convertible promissory notes (the “A&R CP BF Notes”) so that they may remain outstanding following the closing of the Merger and, at CP BF’s option, be convertible into Class A shares of the combined company.

On December 14, 2023, the Company entered into the First Amendment to the Forbearance Agreement with the Lender. In particular, the Company agreed to pay the Lender an amount in cash equal to \$23,748 (the "Amendment Fee") on the execution date to extend the forbearance period from the four-month anniversary of the closing of the Merger to the six-month anniversary of the closing of the Merger. This amendment was deemed to be a debt modification in accordance with ASC 470, Debt, which will be accounted for prospectively. Modification does not result in recognition of a gain or loss in the consolidated statement of operations but does impact interest expense recognized in the future.

The following table presents the CP BF convertible notes as of December 31, 2023:

Face value of the CB BF convertible notes	\$	1,821,345
Debt discount, net		(41,983)
Carrying value of the CB BF convertible notes		<u>1,779,362</u>
Accrued interest		914,479
Total CB BF convertible notes and accrued interest	\$	<u><u>2,693,841</u></u>

The following table presents the CP BF convertible notes as of December 31, 2022:

Face value of the CB BF convertible notes	\$	1,821,345
Debt discount, net		(63,715)
Carrying value of the CB BF convertible notes		<u>1,757,630</u>
Accrued interest		518,904
Total CB BF convertible notes and accrued interest	\$	<u><u>2,276,534</u></u>

The following table presents the CP BF term note as of December 31, 2023:

Face value of the CB BF term note	\$	6,500,000
Debt discount, net		(129,586)
Carrying value of the CB BF term note		<u>6,370,414</u>
Accrued interest		289,373
Total CB BF term note and accrued interest	\$	<u><u>6,659,787</u></u>

The following table presents the CP BF term note as of December 31, 2022:

Face value of the CB BF term note	\$	6,500,000
Debt discount, net		(192,911)
Carrying value of the CB BF term note		<u>6,307,089</u>
Accrued interest		186,962
Total CB BF term note and accrued interest	\$	<u><u>6,494,051</u></u>

## 15. Warrant Liabilities

### *Public Warrants*

The Company assumed 230,000 Public Warrants in the Merger which remained outstanding as of December 31, 2023. The Public Warrants have an exercise price of \$575.00 per share, subject to adjustments, and will expire five years from the Merger Closing Date. The exercise price and number of shares of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend, or recapitalization, reorganization, merger or consolidation.

The Company will not be obligated to deliver any shares of Class A Common Stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A Common Stock underlying the Public Warrants is then effective and a prospectus relating thereto is current, subject to the Company's satisfying its obligations described below with respect to registration, or a valid exemption from registration is available. No Public Warrant will be exercisable and the Company will not be obligated to issue a share of Class A Common Stock upon exercise of a Public Warrant unless the shares of Class A Common Stock issuable upon such Public Warrant exercise has been registered, qualified, or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Public Warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Public Warrant, the holder of such Public Warrant will not be entitled to exercise such Public Warrant and such Public Warrant may have no value and expire worthless. In no event will the Company be required to net cash settle any Public Warrant. The Resale Registration statement went effective on February 14, 2024.

The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of the Merger, it will its best efforts to file with the SEC a registration statement covering the shares of Class A common stock issuable upon exercise of the warrants, to cause such registration statement to become effective and to maintain a current prospectus relating to those shares of Class A common stock until the warrants expire. If a registration statement covering the shares of Class A common stock issuable upon exercise of the warrants is not effective by the 60th business day after the closing of the Merger, the warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, but it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the Public Warrants for that number of shares of Class A Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A Common Stock underlying the Public Warrants, multiplied by the excess of the “fair market value” (as defined below) less the exercise price of the Public Warrants by (y) the fair market value. The “fair market value” as used in this paragraph shall mean the average last sale price of Class A Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the warrant holders.

Redemption of Public Warrants When the price per Share of Class A Common Stock Equals or Exceeds \$900.00. Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon a minimum of 30 days’ prior written notice of redemption (the “30-day redemption period”); and
- if, and only if, the closing price per share of Class A Common Stock equals or exceeds \$900.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading “- Warrants-Public Stockholder Warrants-Anti-dilution Adjustments”) for any 20 trading days within a 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders.

The Company will not redeem the Public Warrants as described above unless a registration statement under the Securities Act covering the issuance of shares of Class A Common Stock issuable upon exercise of the Public Warrants is then effective and a current prospectus relating to those shares of Class A Common Stock is available throughout the 30-day redemption period. If and when the Public Warrants become redeemable by the Company, the Company may not exercise its redemption right if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

The Company has established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Public Warrant exercise price. If the foregoing conditions are satisfied and the Company issues a notice of redemption of the Public Warrants, each warrant holder will be entitled to exercise his, her or its Public Warrant prior to the scheduled redemption date. However, the price per share of Class A Common Stock may fall below the \$900.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading “-Warrants-Public Stockholder Warrants-Anti-dilution Adjustments”) as well as the \$575.00 (for whole shares) Public Warrant exercise price after the redemption notice is issued.

No fractional shares of Class A Common Stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, the Company will round down to the nearest whole number of the number of shares of Class A Common Stock to be issued to the holder.

#### *GEM Financing Arrangement*

In May 2022, the Company entered into a Share Purchase Agreement with GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (collectively, “GEM”) (the “GEM Agreement”) pursuant to which, among other things, upon the terms and subject to the conditions of the GEM Agreement, GEM is to purchase from the Company (or its successor following a Reverse Merger Transaction (as defined in the GEM Agreement)) up to the number of duly authorized, validly issued, fully paid and non-assessable shares of common stock having an aggregate value of \$100,000,000 (the “GEM Financing”). Further, in terms of the GEM Agreement, on the Public Listing Date, the Company was required to make and execute a warrant (“GEM Warrant”) granting GEM the right to purchase up to the number of common shares of the Company that would be equal to 3% of the total equity interests, calculated on a fully diluted basis, and at an exercise price per share equal to the lesser of (i) the public offering price or closing bid price on the date of public listing or (ii) the quotient obtained by dividing \$650 million by the total number of equity interests.

On December 13, 2023, the Company and GEM entered into a binding term sheet (the “GEM Term Sheet”) and, on December 14, 2023, a letter agreement (the “GEM Letter”), agreeing to terminate in its entirety the GEM Agreement by and between the Company and GEM, other than with respect to the Company’s obligation (as the post-combination company in the Merger) to issue the GEM Warrant granting the right to purchase Class A Common Stock in an amount equal to 3% of the total number of equity interests outstanding as of the Closing, calculated on a fully diluted basis, at an exercise price on the terms and conditions set forth therein, in exchange for issuance of a \$2.0 million convertible debenture with a five-year maturity and 0% coupon. Due to the determination of the final terms of the planned \$2.0 million convertible debenture having not been finalized, nor the final agreement related to the convertible debenture having been executed, as of December 31, 2023, the Company recognized, concurrent with the close of the merger, a liability for the GEM commitment fee, along with a corresponding GEM commitment fee expense, in the amount of \$2.0 million. See *Note 21-Subsequent Events* for details related to the subsequent execution of the GEM Settlement Agreement and issuance of the final GEM convertible promissory note, in 2024.

At Closing, the GEM Warrant automatically became an obligation of the Company, and on December 15, 2023, the Company issued the GEM Warrant granting GEM the right to purchase 828,533 shares at an exercise price of \$6.49 per share. The exercise price will be adjusted to 105% of the then-current exercise price if on the one-year anniversary date of the Effective Time, the GEM Warrant has not been exercised in full and the average closing price per share of Class A Common Stock for the 10 days preceding the anniversary date is less than 90% of the initial exercise price. GEM may exercise the GEM Warrant at any time and from time to time until December 14, 2026. The terms of the GEM Warrant provide that the exercise price of the GEM Warrant, and the number of shares of Class A Common Stock for which the GEM Warrant may be exercised, are subject to adjustment to account for increases or decreases in the number of outstanding shares of New Banzai Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. Additionally, the GEM Warrant contains weighted average anti-dilution provisions that provide that if the Company issues shares of common stock, or securities convertible into or exercisable or exchange for, shares of common stock at a price per share that is less than 90% of the exercise price then in effect or without consideration, then the exercise price of the GEM Warrant upon each such issuance will be adjusted to the price equal to 105% of the consideration per share paid for such common stock or other securities. In the event of a Change of Control, if the Surviving Corporation does not have registered class of equity securities and common shares listed on a U.S. national securities exchange, then the Holder is entitled to receive one percent of the total consideration received by the Company’s stockholders and the GEM Warrants will expire upon payment.

The Warrants were not considered indexed to the issuer’s stock pursuant to ASC 815, as the holder’s ability to receive one percent of the total consideration received by the Company’s stockholders in connection with a Change of Control in lieu of the Warrant, where the surviving corporation is not publicly traded, adjusts the settlement value based on items outside the Company’s control in violation of the fixed-for-fixed option pricing model. As such, the Company recorded the Warrants as liabilities initially measured at fair value with subsequent changes in fair value recognized in earnings each reporting period.

The measurement of fair value was determined utilizing a Monte Carlo simulation considering all relevant assumptions current at the date of issuance (i.e., share price, exercise price, term, volatility, risk-free rate, probability of dilutive term of three years, and expected time to conversion). The fair value of the Warrants on the grant date, as determined by the Monte Carlo simulation option pricing model, was \$2,448,000 on December 15, 2023. The Company determined the Warrants were share issuance costs associated with an aborted offering. ASC 340 notes aborted offering costs may not be deferred and charged against proceeds of a subsequent offering. As such, the Company will record an expense for the corresponding fair value. As of December 31, 2023, the fair value of the Warrants, as determined by the Monte Carlo simulation option pricing model, was \$641,000.

If the per share market value of one share of Class A Common Stock is greater than the then-current exercise price, then GEM will have the option to exercise the GEM Warrant on a cashless basis and receive a number of shares of Class A Common Stock equal to (x) the number of shares of Class A Common Stock purchasable upon exercise of all of the GEM Warrant or, if only a portion of the GEM Warrant is being exercised, the portion of the GEM Warrant being exercised, less (y) the product of the then-current exercise price and the number of shares of Class A Common Stock purchasable upon exercise of all of the GEM Warrant or, if only a portion of the GEM Warrant is being exercised, the portion of the GEM Warrant being exercised, divided by the per share market value of one share of Class A Common Stock.

The GEM Warrant is subject to a restriction on exercise of the GEM Warrant such that the GEM Warrant may not be exercised if such exercise would result in the beneficial ownership of the holder and its affiliates in excess of 9.99% of the then-issued and outstanding shares of Common Stock.

## **16. Simple Agreements for Future Equity**

### *Simple Agreements for Future Equity-Related Party*

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements with related parties Alco, DNX and William Bryant (See *Note 14-Debt*, for a description of the related party relationship with these entities) (the "Related Party SAFEs") pursuant to which the Company received gross proceeds in the amount of \$3,567,000. In the event of an Equity Financing (as defined in the SAFEs agreements), the Related Party SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the Related Party SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The Related Party SAFEs were recorded as a liability in accordance with the applicable accounting guidance as they are redeemable for cash upon contingent events that are outside of the Company's control. The initial fair value of the Related Party SAFE liability was \$3,567,000. Subsequent changes in fair value at each reporting period are recognized in the consolidated statement of operations. For the years ended December 31, 2023 and 2022, the Company recognized a gain of \$2,752,430 and loss of \$4,078,431, respectively, for the change in fair value of the Related Party SAFE liability.

The Company utilizes a combination of scenario-based methods and Monte Carlo simulation to determine the fair value of the Related Party SAFE liability as of the valuation dates. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

On September 2, 2022, the Company modified the SAFE agreements pursuant to approval by the holders. In accordance with the modified terms, in the event of an Equity Financing or SPAC Transaction, the Related Party SAFEs will automatically convert into shares of the Company's common or preferred stock at the lesser of (a) the Discount Price for an Equity Financing (Liquidity Price (as defined in the agreements) for a SPAC Transaction) or (b) the conversion price obtained by dividing \$50,000,000 by the Fully Diluted Capitalization (as defined in the agreements). Upon modification, the Company calculated the fair value of the Related Party SAFE liability immediately before and immediately after the modification which resulted in the recognition of a loss for the change in fair value of \$1,602,174.

On December 14, 2023, all outstanding principal related to the Related Party SAFEs at a carrying value of \$6,049,766 converted into 11,039 shares the Company's Class A Common Stock pursuant to the close of the Merger Agreement and application of the exchange ratio.

#### *Simple Agreements for Future Equity-Third Party*

During 2021, the Company entered into Simple Agreements for Future Equity (SAFE) arrangements with third party investors (the "Third Party SAFEs") pursuant to which the Company received gross proceeds in the amount of \$269,000. In the event of an Equity Financing (as defined in the SAFEs agreements), the Third Party SAFEs will automatically convert into shares of the Company's common or preferred stock at a discount of 15% of the per share price of the shares offered in the Equity Financing (the "Discount Price"). In the event of a Liquidity Event, SPAC Transaction or Dissolution Event (all terms as defined in the SAFEs agreements), the holders of the Third Party SAFEs will be entitled to receive cash or shares of the Company's common or preferred stock. The Third Party SAFEs were recorded as a liability in accordance with the applicable accounting guidance as they are redeemable for cash upon contingent events that are outside of the Company's control. The initial fair value of the Third Party SAFE liability was \$269,000. Subsequent changes in fair value at each reporting period are recognized in the Consolidated Statement of Operations. For the years ended December 31, 2023 and 2022, the Company recognized a gain of \$207,570 and a loss of \$307,569, respectively, for the change in fair value of the Third Party SAFE liability.

The Company utilizes a combination of scenario-based methods and Monte Carlo simulation to determine the fair value of the Third Party SAFE liability as of the valuation dates. Key inputs into these models included the timing and probability of the identified scenarios, and for Black-Scholes option pricing models used for notes that included a valuation cap, equity values, risk-free rate and volatility.

On September 2, 2022, the Company modified the Third Party SAFE agreements pursuant to approval by the holders. In accordance with the modified terms, in the event of an Equity Financing or SPAC Transaction, the Third Party SAFEs will automatically convert into shares of the Company's common or preferred stock at the lesser of (a) the Discount Price for an Equity Financing (Liquidity Price (as defined in the agreements) for a SPAC Transaction) or (b) the conversion price obtained by dividing \$50,000,000 by the Fully Diluted Capitalization (as defined in the agreements). Upon modification, the Company calculated the fair value of the Third Party SAFE liability immediately before and immediately after the modification which resulted in the recognition of a loss for the change in fair value of \$120,826.

On December 14, 2023, all outstanding principal related to the Third Party SAFEs at a carrying value of \$456,234 converted into 833 shares the Company's Class A Common Stock pursuant to the close of the Merger Agreement and application of the exchange ratio.

## **17. Commitments and Contingencies**

### ***Leases***

The Company has operating leases for its real estate across multiple states. The operating leases have remaining lease terms of approximately 0.76 years as of December 31, 2023 and consist primarily of office space.

The lease agreements generally do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach to derive an appropriate incremental borrowing rate to discount remaining lease payments.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. There are no material residual guarantees associated with any of the Company's leases, and there are no significant restrictions or covenants included in the Company's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space. The Company has not entered into any lease arrangements with related parties.



The Company's existing leases contain escalation clauses and renewal options. The Company is not reasonably certain that renewal options will be exercised upon expiration of the initial terms of its existing leases. Prior to adoption of ASU 2016-02 effective January 1, 2022, the Company accounted for operating lease transactions by recording lease expense on a straight-line basis over the expected term of the lease.

The Company entered into a sublease which it has identified as an operating lease prior to the adoption of ASC 842 *Leases*. The Company remains the primary obligor to the head lease lessor, making rental payments directly to the lessor and separately billing the sublessee. The sublease is subordinate to the master lease, and the sublessee must comply with all applicable terms of the master lease. The Company subleased the real estate to a third-party at a monthly rental payment amount that was less than the monthly cost that it pays on the headlease with the lessor.

In evaluating long-lived assets for recoverability, the Company calculated the fair value of the sublease using its best estimate of future cash flows expected to result from the use of the asset. When undiscounted cash flows to be generated through the sublease is less than the carrying value of the underlying asset, the asset is deemed impaired. If it is determined that assets are impaired, an impairment loss is recognized for the amount that the asset's book value exceeds its fair value. Based on the expected future cash flows, the Company recognized an impairment loss upon adoption of ASC 842 *Leases* of \$303,327. The impairment loss was recorded to impairment loss on lease on the consolidated statement of operations for the year ended December 31, 2022.

The components of lease expense, are as follows:

<b>Components of lease expense:</b>	<b>For the Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Operating lease cost	\$ 199,611	\$ 191,483
Lease impairment cost	-	303,327
Sublease income	(204,324)	(177,588)
Total lease (income) cost	\$ (4,713)	\$ 317,222

Supplemental cash flow information related to leases are as follows:

<b>Supplemental cash flow information:</b>	<b>For the Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Non-cash lease expense (operating cash flow)	\$ 173,245	\$ 152,018
Non-cash impairment of right to use assets (operating cash flow)	-	(303,327)
Change in lease liabilities (operating cash flow)	(284,963)	(243,596)
Operating lease right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 762,603

Supplemental balance sheet information related to leases was as follows:

	December 31, 2023	December 31, 2022
<b>Operating leases:</b>		
Operating lease right-of-use assets	\$ 134,013	\$ 307,258
Operating lease liability, current	234,043	284,963
Operating lease liability, long-term	-	234,043
Total operating lease liabilities	<u>\$ 234,043</u>	<u>\$ 519,006</u>
<b>Weighted-average remaining lease term:</b>		
Operating leases (in years)	<u>0.76</u>	<u>1.76</u>
<b>Weighted-average discount rate:</b>		
Operating leases	<u>6.76%</u>	<u>6.74%</u>

Future minimum lease payments under non-cancellable lease as of December 31, 2023, are as follows:

<b>Maturities of lease liabilities:</b>		
Year Ending December 31, 2024		\$ 240,818
Total undiscounted cash flows		<u>240,818</u>
Less discounting		<u>(6,775)</u>
Present value of lease liabilities		<u>\$ 234,043</u>

#### ***Cantor Fee Agreement***

In connection with the Merger, 7GC previously agreed to pay Cantor an Original Deferred Fee of \$8,050,000 as deferred underwriting commissions. On November 8, 2023, Cantor and 7GC entered into a Fee Reduction Agreement, pursuant to which Cantor agreed to forfeit \$4,050,000 of the \$8,050,000 Original Deferred Fee, with the remaining \$4,000,000 Reduced Deferred Fee payable by Banzai to Cantor following the Closing of the Merger. Pursuant to the Fee Reduction Agreement, the Reduced Deferred Fee will be payable in the form of the Cantor Fee Shares, which will be calculated as a number of Class A Common Stock equal to the greater of (a) 400,000 or (b) the quotient obtained by dividing (x) the Reduced Deferred Fee by (y) the dollar volume-weighted average price for Class A Common Stock on Nasdaq, over the five trading days immediately preceding the date of filing of a resale registration statement on Form S-1, as reported by Bloomberg through its "AQR" function (as adjusted for any stock dividend, split, combination, recapitalization or other similar transaction). In connection with the merger discussed in *Note 4-Merger*, the Company assumed the outstanding liabilities of 7GC, including the above discussed deferred underwriting fee payable.

Pursuant to the Fee Reduction Agreement, the Company also agreed to use its reasonable best efforts to have the registration statement declared effective by the SEC by the 120th calendar day after December 29, 2023, the date of the initial filing thereof, and to maintain the effectiveness of such registration statement until the earliest to occur of (i) the second anniversary of the date of the effectiveness thereof, (ii) the Cantor Fee Shares shall have been sold, transferred, disposed of or exchanged by Cantor, and (iii) the Cantor Fee Shares issued to Cantor may be sold without registration pursuant to Rule 144 under the Securities Act (such obligations, the "Cantor Registration Rights Obligations").

On December 28, 2023, the Company and Cantor amended the Fee Reduction Agreement to provide that the Reduced Deferred Fee was payable in the form of 22,279 shares of Class A Common Stock and to provide that Cantor is subject to a 12-month lock-up with respect to the Cantor Fee Shares. On December 28, 2023, the Company issued the Cantor Fee Shares to Cantor, covering the Reduced Deferred Fee in accordance with the Fee Reduction Agreement. The fair value of the 22,279 shares of Class A Common Stock was determined to be \$2,450,639 on December 28, 2023 based on the Company's opening stock price of \$110.00. Although the Company issued the Cantor Fee Shares, as of December 31, 2023, the Company has not satisfied its Cantor Registration Rights Obligations. As such, the Company cannot conclude that it has settled its outstanding obligations to Cantor. Therefore, neither criteria under ASC 405 for extinguishment and derecognition of the liability were satisfied and the \$4,000,000 Reduced Deferred Fee remained outstanding as a current liability on the Company's December 31, 2023 balance sheet.

At each interim period after December 31, 2023, the Company will monitor its compliance with the Cantor Registration Rights Obligations to determine whether the entire amount of the Reduced Deferred Fee has become due and payable in cash, or the Company's obligations have been satisfied and the remaining liability should be derecognized. At such time as the Company's obligations under the Fee Reduction Agreement have been satisfied the relief of the liability will be recorded through equity.

### ***Legal Matters***

In the regular course of business affairs and operations, we are subject to possible loss contingencies arising from third-party litigation and federal, state, and local environmental, labor, health and safety laws and regulations. We assess the probability that we could incur liability in connection with certain of these lawsuits. Our assessments are made in accordance with generally accepted accounting principles, as codified in ASC 450-20, and is not an admission of any liability on the part of the Company or any of its subsidiaries. In certain cases that are in the early stages and in light of the uncertainties surrounding them, we do not currently possess sufficient information to determine a range of reasonably possible liability.

## **18. Equity**

### ***Class A and B Common Stock***

The Company is authorized to issue up to 275,000,000 shares, consisting of 250,000,000 Class A Common Stock, and 25,000,000 shares of Class B Common Stock par value \$0.0001 per share.

As discussed in *Note 4-Reverse Merger Capitalization with 7GC & Co. Holdings Inc.*, the Company has retroactively adjusted the shares issued and outstanding prior to December 14, 2023 to give effect to the Exchange Ratio to determine the number of shares of Company Common Stock into which they were converted.

Class A Common Stock and Class B Common Stock entitle their holders to one vote per share and ten votes per share, respectively, on each matter properly submitted to the stockholders entitled to vote thereon. The holders of shares of Common Stock shall be entitled to receive dividends declared by the Board of Directors, on a pro rata basis based on the number of shares of Common Stock held by each such holder, assuming conversion of all Class B Common Stock into Class A Common Stock at a one to one conversion ratio.

### ***Preferred Stock***

The Company is authorized to issue 75,000,000 shares of preferred stock with a par value of \$0.0001 per share. The board of directors of the Company (the "Board") has the authority to issue preferred stock and to determine the rights, privileges, preferences, restrictions, and voting rights of those shares. As of December 31, 2023, no shares of preferred stock were outstanding.

On December 14, 2023, pursuant to the Merger, 2,328,823 outstanding shares of Preferred Stock were automatically converted into 28,629 shares of the Company's Class A Common Stock pursuant to the Exchange Ratio. Refer to *Note 4-Reverse Merger Capitalization with 7GC & Co. Holdings Inc.* for further details.

### ***Restricted Stock***

In connection with the acquisition of Demio and High Attendance, the Company issued restricted stock to the selling securityholders and founders of Demio. 14,916 shares of the Company's restricted Class A common stock were issued to the selling securityholders and founders of Demio and 1,638 shares of the Company's restricted Class A common stock were issued to the High Attendance securityholder. All shares issued to the selling securityholders and founders of Demio vested and are outstanding as of December 31, 2023. On July 1, 2022, all shares issued to the High Attendance securityholder were cancelled and are not outstanding as of December 31, 2023 and 2022. Upon the closing of the Merger, the restrictions on the outstanding shares were lifted and the shares became freely tradeable.

### ***Yorkville Standby Equity Purchase Agreement ("SEPA")***

On December 14, 2023, the Company entered into the SEPA with YA II PN, LTD, a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP ("Yorkville") in connection with the Merger. Pursuant to the SEPA, subject to certain conditions, the Company shall have the option, but not the obligation, to sell to Yorkville, and Yorkville shall subscribe for, an aggregate amount of up to up to \$100,000,000 of the Company's shares of Class A common stock, par value \$0.0001 per share, at the Company's request any time during the commitment period commencing on December 14, 2023 and terminating on the 36-month anniversary of the SEPA (the "SEPA Option").

Each advance (each, an "Advance") the Company requests under the SEPA (notice of such request, an "Advance Notice") may be for a number of shares of Class A common stock up to the greater of (i) 10,000 shares or (ii) such amount as is equal to 100% of the average daily volume traded of Class A common stock during the five trading days immediately prior to the date the Company requests each Advance; provided, in no event shall the number of shares of Class A common stock issued cause the aggregate shares of Class A common stock held by Yorkville and its affiliates as of any such date to exceed 9.99% of the total number of shares of Class A common stock outstanding as of the date of the Advance Notice (less any such shares held by Yorkville and its affiliates as of such date) (the "Exchange Cap"). The shares would be purchased, at the Company's election, at a purchase price equal to either:

- i) 95% of the average daily Volume Weighted Average Price ("VWAP") of Class A Common Stock on the Nasdaq Stock Market ("Nasdaq"), subject to certain conditions per the SEPA (the "Option 1 Pricing Period"; or
- ii) 96% of the lowest daily VWAP of Class A Common Stock during the three trading days commencing on the Advance Notice date, subject to certain conditions per the SEPA (the "Option 2 Pricing Period").

Any purchase under an Advance would be subject to certain limitations, including that Yorkville shall not purchase or acquire any shares that would result in it and its affiliates beneficially owning more than 9.99% of the then outstanding voting power or number of shares of Class A common stock or any shares that, aggregated with shares issued under all other earlier Advances, would exceed 19.99% of all shares of Class A common stock and Class B common stock of the Company, par value \$0.0001 per share, outstanding on the date of the SEPA, unless Company securityholder approval was obtained allowing for issuances in excess of such amount.

The SEPA Option was determined to be a freestanding financial instrument which did not meet the criteria to be accounted for as a derivative instrument or to be recognized within equity. Pursuant to ASC 815 *Derivatives and Hedging* ("ASC 815"), the Company will therefore recognize the SEPA Option as an asset or liability, measured at fair value at the date of issuance, December 14, 2023, and in subsequent reporting periods, with changes in fair value recognized in earnings. The SEPA Option was determined to have a fair value of \$0 at December 14, 2023 and December 31, 2023.

In connection with the execution of the SEPA, the Company paid a cash structuring fee to Yorkville in the amount of \$35,000 (the "Structuring Fee"). Additionally, (a) Legacy Banzai issued to Yorkville immediately prior to the Closing of the Merger on December 14, 2023 such number of shares of Legacy Banzai's Class A common stock such that upon the Closing, Yorkville received 6,000 shares of Class A common stock (the "Closing Shares") having an aggregate fair value of \$3,288,000 at issuance, as a holder of shares of Class A common stock of Legacy Banzai, and (b) the Company agreed to pay a commitment fee of \$500,000 to Yorkville at the earlier of (i) March 14, 2024 or (ii) the termination of the SEPA, which will be payable, at the option of the Company, in cash or shares of Class A common stock through an Advance (the "Deferred Fee"). The aggregate fair value of the Structuring Fee, the Closing Shares, and the Deferred Fee of \$3,823,000 was recorded to general and administrative expense upon execution of the SEPA.

Pursuant to the terms of the SEPA, at any time that there is a balance outstanding under the Yorkville Convertible Note, Yorkville has the right to receive shares to pay down the principal balance, and may select the timing and delivery of such shares (via an “Investor Notice”), in an amount up to the outstanding principal balance on the Yorkville Convertible Note at a purchase price equal to the lower of (i) \$10.00 per share of Class A common stock (the “Fixed Price”), or (ii) 90% of the lowest daily Volume Weighted Average Price (“VWAP”) of Class A common stock on Nasdaq during the 10 consecutive Trading Days immediately preceding the Investor Notice date or other date of determination (the “Variable Price”). The Variable Price shall not be lower than \$2.00 per share (the “Floor Price”). The Floor Price shall be adjusted (downwards only) to equal 20% of the average VWAP for the five trading days immediately prior to the date of effectiveness of the initial Registration Statement. Notwithstanding the foregoing, the Company may reduce the Floor Price to any amount via written notice to Yorkville, provided that such amount is no more than 75% of the closing price on the Trading Day immediately prior to the time of such reduction and no greater than \$2.00 per share of Class A common stock (the “Conversion Price”). At any time that there is a balance outstanding under the Yorkville Convertible Note, the Company is not permitted to issue Advance Notices under the SEPA unless an Amortization Event has occurred under the terms of the Yorkville Convertible Note agreement. Refer to *Note 21 Subsequent Events* for further details

There were no Advance Notices issued pursuant to the SEPA during the year ended December 31, 2023 or as of the date that these financial statements were issued.

#### ***Cantor Fee Agreement***

On December 28, 2023, the Company issued 22,279 shares of Class A Common Stock to Cantor pursuant to the Fee Reduction Agreement. See *Note 17-Commitments and Contingencies* for further details of this transaction.

#### **19. Stock-Based Compensation**

Prior to the Merger, the Company established the Banzai International, Inc. 2016 Equity Incentive Plan (“the 2016 Plan”) on April 26, 2016, to enable the Company to attract, incentivize and retain eligible individuals through the granting of awards in the Company. The maximum number of options that may be issued over the term of the Plan were initially set at 8,000 shares of common stock. On July 19, 2017, the 2016 Plan was amended to increase the maximum number of options that may be issued to 48,000 shares of common stock. Accordingly, the Company has reserved a sufficient number of shares to permit the exercise of options in accordance with the terms of the 2016 Plan. The term of each award under the 2016 Plan shall be no more than ten years from the date of grant thereof. The Company’s Board of Directors is responsible for the administration of the 2016 Plan and has the sole discretion to determine which grantees will be granted awards and the terms and conditions of the awards granted. As of December 31, 2023, 11,443 stock options remain available to be awarded under the 2016 Plan.

During 2023, the Company adopted the 2023 Equity Incentive Plan (the “2023 Plan”). The 2023 Plan permits the granting of incentive stock options, nonstatutory stock options, SARs, restricted stock awards, RSU awards, performance awards, and other awards, to employees, directors, and consultants. The aggregate number of shares of common stock that may be issued will not exceed approximately 12.5% of the fully diluted common stock determined at the Close of the Merger. In addition, the aggregate number of shares of common stock will automatically increase on January 1 of each year for a period of ten years commencing on January 1, 2024 and ending on January 1, 2033, in an amount equal to 5% of the total number of shares of the fully diluted common stock determined as of the day prior to such increase. The aggregate maximum number of shares of common stock that may be issued pursuant to the exercise of incentive stock options is approximately three times the total number of shares of common stock initially reserved for issuance. As of December 31, 2023, no shares have been awarded under the 2023 Plan.

The Company accounts for stock-based payments pursuant to ASC 718 *Stock Compensation* and, accordingly, the Company records compensation expense for stock-based awards based upon an assessment of the grant date fair value for options using the Black-Scholes option pricing model. The Company has concluded that its historical share option exercise experience does not provide a reasonable basis upon which to estimate expected term. Therefore, the expected term was determined according to the simplified method, which is the average of the vesting tranche dates and the contractual term. Due to the lack of company specific historical and implied volatility data, the estimate of expected volatility is primarily based on the historical volatility of a group of similar companies that are publicly traded. For these analyses, companies with comparable characteristics were selected, including enterprise value and position within the industry, and with historical share price information sufficient to meet the expected life of the share-based awards. The Company computes the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent periods of the calculated expected term of its share-based awards. The risk-free interest rate is determined by reference to the U.S. Treasury zero-coupon issues with remaining maturities similar to the expected term of the options. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

On December 3, 2023, the Board of Directors of Banzai approved the repricing of 7,193 outstanding stock options held by current employees to an exercise price of \$257.50. No other changes to the original stock option grant terms were made.

The incremental compensation cost was measured as the fair value of the stock options immediately before and immediately after the modification. The Company determined the total incremental compensation cost from the modification to be \$113,475, of which \$23,849 related to fully vested options and was expensed as stock-based compensation expense, and \$89,626 related to unvested options and will be recognized over the remaining service period.

In connection with the Merger, each option of Banzai that was outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) was assumed by 7GC and converted into an option to acquire an adjusted number of shares of Common Stock at an adjusted exercise price per share (the "Substitute Options"), based on the Option Exchange Ratio (of 0.6147), and will continue to be governed by substantially the same terms and conditions, including vesting, as were applicable to the former option. Each Substitute Option will be exercisable for a number of whole shares of Common Stock equal to the product of the number of shares of Banzai common stock underlying such Banzai option multiplied by the Option Exchange Ratio, and the per share exercise price of such Substitute Option will be equal to the quotient determined by dividing the exercise price per share of Banzai common stock by the Option Exchange Ratio. The percentage of total shares of Common Stock subject to each Substitute Option that is vested immediately following the Effective Time will equal the percentage of total shares of Banzai common stock subject to each Banzai option that is vested immediately prior to the Effective Time.

Upon the closing of the Merger, the outstanding and unexercised Banzai stock options became options to purchase an aggregate 14,962 shares of the Company's Common Stock at a weighted average exercise price of \$293.50 per share. The Company accounted for the Substitute Options as a modification of the existing options. Incremental compensation costs, measured as the excess, if any, of the fair value of the modified options over the fair value of the original options immediately before its terms are modified, is measured based on the fair value of the underlying shares and other pertinent factors at the modification date. The change to the award effected only the number of options and strike price by the same exchange ratio, the Company determined the change would not impact the fair value of the awards. As such, no incremental compensation costs relating to the Substitute Options was recorded at the date of modification.

The following table summarizes assumptions used to compute the fair value of options granted:

	December 31, 2023	December 31, 2022
Stock price	\$ 8.38 - 11.98	\$ 1.54
Exercise price	\$ 8.38 - 11.98	\$ 1.04
Expected volatility	80.00 - 110.95%	53.61 - 55.30%
Expected term (in years)	5.00 - 6.08	5.94 - 6.08
Risk-free interest rate	3.46 - 4.31%	1.95 - 2.85%

A summary of stock option activity under the Plan is as follows:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Intrinsic Value
Outstanding at December 31, 2021	14,634	\$ 57.50	7.20	\$ 369,102
Retroactive application of recapitalization (Note 4)	(6,024)	36.05		
Outstanding at December 31, 2021, after effect of Merger (Note 4)	9,610	93.55		
Granted	4,702	138.50		
Exercised	(171)	62.00		10,835
Expired	(2,411)	69.00		
Forfeited	(4,310)	129.50		
Outstanding at December 31, 2022	7,420	\$ 106.44	7.95	\$ 3,433,946
Granted	16,440	500.50		
Exercised	(353)	109.56		4,440
Expired	(258)	598.50		
Forfeited	(8,287)	538.00		
Outstanding at December 31, 2023	14,962	\$ 293.50	8.43	\$ 103,662
Exercisable at December 31, 2023	6,900	\$ 211.50	7.56	\$ 103,251

In connection with issuances under the Plan, the Company recorded stock-based compensation expense of \$1,245,796 and \$770,336, which is included in general and administrative expense for the years ended December 31, 2023 and 2022, respectively. The weighted-average grant-date fair value per option granted during the years ended December 31, 2023 and 2022 was \$4.86 and \$0.77, respectively. As of December 31, 2023 and 2022, \$2,594,571 and \$160,203 of unrecognized compensation expense related to non-vested awards is expected to be recognized over the weighted average period of 2.73 and 2.74 years, respectively. The aggregate intrinsic value is calculated as the difference between the fair value of the Company's stock price and the exercise price of the options.

## 20. Income Taxes

A reconciliation of the statutory U.S. federal income tax rate to the Company's effective tax rate consists of the following:

	For the Years Ended December 31,			
	2023		2022	
Statutory federal income tax benefit	\$ (3,025,315)	21.0%	\$ (3,248,385)	21.0%
State taxes, net of federal tax benefit	(219,705)	1.5%	(327,095)	2.1%
Change in valuation allowance	2,079,231	-14.4%	1,435,041	-9.3%
Change in state tax rate	462,709	-3.2%	13,055	-0.1%
Change in fair value estimates	(2,050,026)	14.2%	1,610,993	-10.4%
Non-deductible interest-IRC 163(j)	738,993	-5.1%	-	0.0%
Non-deductible transaction/restructuring costs	1,313,792	-9.1%	-	0.0%
Non-deductible warrant issuance expense	552,321	-3.8%	-	0.0%
Other non-deductible expenses	148,000	-1.0%	516,391	-3.3%
Effective tax rate	\$ -	0.0%	\$ -	0.0%

The components of income tax provision (benefit) are as follows:

	As of December 31,	
	2023	2022
Federal:		
Current	\$ -	\$ -
Deferred	-	-
State and Local:		
Current	-	-
Deferred	-	-
Total	\$ -	\$ -



Deferred income taxes reflect the net tax effects of temporary differences between the carrying value of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The temporary differences that give rise to deferred tax assets and liabilities are as follows:

	As of December 31,	
	2023	2022
Deferred tax assets (liabilities):		
Net operating loss carryforwards	\$ 6,368,669	\$ 3,744,512
Contribution carryforwards	24,626	20,837
Stock-based compensation	155,404	25,216
Accrual to cash adjustment	1,299	482,109
Startup costs	1,816,143	-
Lease Liabilities	52,805	119,971
Right of use assets	(30,236)	(71,024)
Capitalized R&D costs (Sec. 174)	798,802	451,195
Other	(3,363)	696
	<u>9,184,149</u>	<u>4,773,512</u>
Valuation allowance	(9,184,149)	(4,773,512)
Deferred tax assets, net of allowance	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2023, the Company had federal and state net operating loss carryforwards of approximately \$26,705,200 and \$13,043,900, respectively. As of December 31, 2022, the Company had federal and state net operating loss carryforwards of approximately \$15,325,300 and \$9,175,400, respectively. Federal losses of \$124,500 begin to expire in 2036 and \$26,580,700 of the federal losses carryforward indefinitely. State losses of \$10,666,100 begin to expire in 2031 and \$2,377,800 of the state losses carryforward indefinitely. Utilization of the net operating loss carryforwards may be subject to an annual limitation according to Section 382 of the Internal Revenue Code of 1986 as amended, and similar provisions.

The Company has determined, based upon available evidence, that it is more likely than not that all the net deferred tax assets will not be realized and, accordingly, has provided a full valuation allowance against its net deferred tax asset. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, net operating loss carryback potential, and tax planning strategies in making these assessments.

The Company has determined that it had no material uncertain tax benefits for the year ended December 31, 2023 and 2022. The Company recognizes interest accrued related to unrecognized tax benefits and penalties in interest expense and penalties in operating expense. No amounts were accrued for the payment of interest and penalties at December 31, 2023, and 2022.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which they operate. In the normal course of business, the Company is subject to examination by federal and state jurisdictions where applicable based on the statute of limitations that apply in each jurisdiction. As of December 31, 2023, the 2016 and subsequent tax years related to all jurisdictions remain open.

The Company has no open tax audits with any taxing authority as of December 31, 2023.

## 21. Subsequent Events

### *Yorkville SEPA Supplemental Agreement*

As previously disclosed, pursuant to the SEPA, dated December 14, 2023, between the Company and Yorkville, Yorkville agreed to advance to the Company, in exchange for convertible promissory notes, a Pre-Paid Advance for an aggregate principal amount of up to \$3.5 million, \$2.0 million (less a 10% discount) of which was funded at the closing of the Company's Merger and \$1.5 million (less a 10% discount) of which was to be funded when the Company's Registration Statement on Form S-1, originally filed with the U.S. Securities and Exchange Commission on December 29, 2023, and amended on February 5, 2024, becomes effective and the Company obtains stockholder approval for the issuance of shares in excess of 19.99% of the aggregate number of shares of the Company's Class A common stock issued and outstanding as of the date of the SEPA in accordance with the applicable rules of Nasdaq.

On February 5, 2024, the Company and Yorkville entered into a supplemental agreement (the "SEPA Supplemental Agreement") to increase the amount of the Pre-Paid Advance under the SEPA by \$1.0 million (the "Additional Pre-Paid Advance Amount"), for an aggregate principal amount of \$4.5 million to be advanced by Yorkville to the Company under the SEPA and SEPA Supplemental Agreement. The Additional Pre-Paid Advance Amount (less a 10% discount) was funded on February 5, 2024 in exchange for a promissory note in the principal amount of \$1.0 million (the "Yorkville Promissory Note"). The Yorkville Promissory Note matures on June 14, 2024 and bears interest at a rate of 0%, subject to certain adjustments.

On March 27, 2024, the Company and Yorkville entered into a supplemental agreement (the "SEPA March Supplemental Agreement") to increase the amount of the Pre-Paid Advance under the SEPA by \$1.5 million (the "March Additional Pre-Paid Advance Amount"), for an aggregate principal amount of \$4.5 million to be advanced by Yorkville to the Company under the SEPA, SEPA Supplemental Agreement, and SEPA March Supplemental Agreement. The March Additional Pre-Paid Advance Amount (less a 10% discount) was funded

on March 27, 2024 in exchange for a promissory note in the principal amount of \$1.5 million (the "March Yorkville Promissory Note"). The March Yorkville Promissory Note matures on June 14, 2024 and bears interest at a rate of 0%, subject to certain adjustments.

### *Yorkville Advance Agreement Amortization Event Waiver*

On January 24, 2024, Yorkville provided the Company with a waiver with respect to the triggering of an amortization event in January 2024, in terms of the Yorkville Convertible Note Agreement, which would have required the Company to make monthly repayments of amounts outstanding under the Yorkville Convertible Note, with each monthly repayment to be in an amount equal to the sum of (x) \$1,000,000, plus (y) 10% in respect of such amount, and (z) all outstanding accrued and unpaid interest as of each payment date. As a result of the waiver, no repayments were required by the Company, and the floor price trigger underlying the amortization event was reset on February 15, 2023, at which point the amortization event trigger was cured.

### *Yorkville SEPA Advance Purchase Notices and Yorkville Deferred Fee Settlement*

In February, 2024, Yorkville submitted two Advance Notice Investor Notices, related to the purchase of common shares of the Company, with the aggregate purchase price of those shares offset against amounts outstanding by the Company under the Pre-Paid Yorkville Convertible Notes. Yorkville purchased a total of 6,888 shares, for a total aggregate purchase consideration of \$300,000. The conversion prices applicable to these purchases ranged from \$38.08 to \$61.15 per share.

In March, 2024, Yorkville submitted six Advance Notice Investor Notices, related to the purchase of common shares of the Company, with the aggregate purchase price of those shares offset against amounts outstanding by the Company under the Pre-Paid Yorkville Convertible Notes and to settle the Deferred Fee payable to Yorkville. Yorkville purchased a total of 37,787 and 14,201 shares, for a total aggregate purchase consideration of \$1,200,000 and \$500,000 in settlement of the Yorkville Convertible Notes and Deferred Fee, respectively. The conversion prices applicable to these purchases ranged from \$31.65 to \$35.21 per share.

### *Roth Addendum to Letter Agreements*

On October 13, 2022, Roth and Legacy Banzai entered into the Roth Engagement Letter, pursuant to which Legacy Banzai engaged Roth as a financial advisor in connection with the Merger and, on October 14, 2022, MKM and 7GC entered into the MKM Engagement Letter, pursuant to which 7GC engaged MKM as a financial advisor in connection with the Merger. In February 2023, Roth acquired MKM.

On February 2, 2024, the Company and Roth entered into an addendum to (i) the engagement letter, dated October 13, 2022, by and between Roth and Legacy Banzai, and (ii) the engagement letter, dated October 14, 2022, by and between Roth (as successor to MKM Partners, LLC) and 7GC (such engagement agreements, collectively, the “Roth Engagement Agreements,” and such addendum, the “Roth Addendum”). Pursuant to the Roth Addendum, in lieu of payment in cash of the full amount of any advisory fees or other fees or expenses, incurred in 2024, and owed under the Roth Engagement Agreements (collectively, the “Roth Fee”), the Company (i) issued to Roth 3,500 shares (the “Roth Shares”) of the Company’s Class A Common Stock, and (ii) on or before June 30, 2024, will pay to Roth an amount in cash equal to \$300,000 or, if the Company determines that such payment should not be made in cash due to the Company’s cash position at such time, issue to Roth a number of shares of Class A Common Stock equal to \$300,000 divided by the daily VWAP for the trading day immediately preceding June 30, 2024 (any such shares, the “Additional Roth Shares”). The Company registered the Roth Shares and 12,000 shares of Class A Common Stock (in addition to the Roth Shares) on a registration statement to cover any issuances of Additional Roth Shares (which may be more or less than 12,000) that may occur pursuant to the Roth Addendum; such registration statement became effective on February 14, 2024. The \$300,000 cash payment has not yet been made as of the date of filing of these annual financial statements.

***Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing***

On February 5, 2024, the Company received a letter (the “Letter”) from the staff at Nasdaq notifying the Company that, for the 30 consecutive business days prior to the date of the Letter, the Company’s Minimum Value of Listed Securities (“MVLS”) was below the minimum of \$50 million required for continued listing on The Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(b)(2)(A). The staff at Nasdaq also noted in the Letter that the Company is not in compliance with Nasdaq Listing Rule 5450(b)(3)(A), which requires listed companies to have total assets and total revenue of at least \$50,000,000 each for the most recently completed fiscal year or for two of the three most recently completed fiscal years. The Letter is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of the Company’s securities on Nasdaq.

In accordance with Nasdaq listing rule 5810(c)(3)(C), the Company has 180 calendar days, or until August 5, 2024, to regain compliance. The Letter notes that to regain compliance, the Company’s MVLS must close at or above \$50 million for a minimum of ten consecutive business days during the compliance period. The Letter further notes that if the Company is unable to satisfy the MVLS requirement prior to such date, the Company may be eligible to transfer the listing of its securities to The Nasdaq Global Market (provided that the Company then satisfies the requirements for continued listing on that market).

If the Company does not regain compliance by August 5, 2024, Nasdaq staff will provide written notice to the Company that its securities are subject to delisting. At that time, the Company may appeal any such delisting determination to a hearings panel.

The Company intends to actively monitor the Company's MVLS between now and August 5, 2024, and may, if appropriate, evaluate available options to resolve the deficiency and regain compliance with the MVLS requirement. While the Company is exercising diligent efforts to maintain the listing of its securities on Nasdaq, there can be no assurance that the Company will be able to regain or maintain compliance with Nasdaq listing standards.

#### ***GEM Agreement***

On February 5, 2024, the Company and GEM entered into a settlement agreement (the "GEM Settlement Agreement"), pursuant to which (a) the Company and GEM agreed to (i) settle the Company's obligations under and terminate the binding term sheet entered into between Legacy Banzai and GEM, dated December 13, 2023, and (ii) terminate the share repurchase agreement, dated May 27, 2022, by and among the Company and GEM, and (b) the Company (i) agreed to pay GEM \$1.2 million in cash within three business days of the GEM Settlement Agreement and (ii) issued to GEM, on February 5, 2024, an unsecured promissory note in the amount of \$1.0 million, payable in monthly installments of \$100,000 beginning on March 1, 2024, with the final payment to be made on December 1, 2024 (the "GEM Promissory Note").

The GEM Promissory Note provides that, in the event the Company fails to make a required monthly payment when due, the Company shall issue to GEM a number of shares of Class A Common Stock equal to the monthly payment amount divided by the VWAP of Class A Common Stock for the trading day immediately preceding the applicable payment due date. In addition, the Company agreed to register on a registration statement 40,000 shares of Class A Common Stock that may be issuable under the terms of the GEM Promissory Note. The GEM Promissory Note contains customary events of default. If an event of default occurs, GEM may, at its option, demand from the Company immediate payment of any outstanding balance under the GEM Promissory Note. As of the date of this Annual Report, we have issued an aggregate of 2,789 shares of Class A Common Stock to GEM in lieu of monthly payment obligations.

#### ***Conversion of 7GC Promissory Notes***

As discussed per *Note 14-Debt*, On December 12, 2023, in connection with the Merger, the Sponsor came to a non-binding agreement with 7GC to amend the 7GC Promissory Notes, to provide that 7GC has the right to elect to convert up to the full amount of the principal balance of the 7GC Promissory Notes, in whole or in part, 30 days after the closing of the Merger at a conversion price equal to the average daily VWAP of Class A Common Stock for the 30 trading days following the Closing.

On February 2, 2024, pursuant to and in accordance with the First Amendment Conversion Provisions, the Sponsor exercised its right to convert the full principal amount under each of the 7GC Notes within 30 days after the Closing, and such conversions were completed on February 2, 2024, resulting in the issuance to the Sponsor of an aggregate of 17,812 shares of Class A Common Stock (collectively, the "Conversion and Issuance").

#### ***Forfeiture and Cancellation of 7GC Sponsor Shares***

In January 2024, the Company and 7GC entered into an agreement whereby 7GC agreed to forfeit a total of 2,000 shares held by 7GC. These shares were transferred to the Company and subsequently cancelled.

#### ***Issuance of Shares as Compensation for Marketing Agreement***

On February 16, 2024, the Company entered into a Marketing Services Agreement with a vendor. This agreement was effective February 19, 2024, and relates to the provision of marketing and distribution services to the Company. Effective as of February 19, 2024, as compensation for these services, the Company agreed to issued to this vendor a total of 3,070 ordinary shares, with a market value as of the valuation date, of \$200,000. As of the date of this annual report, these shares have not yet been issued to the vendor.



Up to 877,372 Shares of Class A Common Stock

PROSPECTUS

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October 16, 2024

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## PART II

### Information Not Required in Prospectus

#### Item 13. Other Expenses of Issuance and Distribution.

The following is an estimate of the expenses (all of which are to be paid by the registrant) that we may incur in connection with the securities being registered hereby.

	<b>Amount</b>
SEC registration fee	\$ 497.01
FINRA filing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous	*
Total	<u>\$ 497.01</u>

\*To be provided by amendment.

We will bear all costs, expenses and fees in connection with the registration of the securities, including with regard to compliance with state securities or “blue sky” laws. All amounts are estimates except the SEC registration fee.

#### Item 14. Indemnification of Directors and Officers.

Our Charter provides that all of our directors, officers, employees, and agents shall be entitled to be indemnified by us to the fullest extent permitted by Section 145 of the DGCL. Section 145 of the DGCL concerning indemnification of officers, directors, employees, and agents is set forth below.

Section 145. Indemnification of officers, directors, employees, and agents; insurance.

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person’s conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person’s conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this section (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee, or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of this section. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses (including attorneys' fees) incurred by former officers and directors or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under this section.

(h) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this section, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(k) The Court of Chancery is hereby vested with exclusive jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this section or under any by law, agreement, vote of stockholders or disinterested directors, or otherwise. The Court of Chancery may summarily determine a corporation’s obligation to advance expenses (including attorneys’ fees).

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment of expenses incurred or paid by a director, officer or controlling person in a successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to the court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

In accordance with Section 102(b)(7) of the DGCL, our Charter provides that no director shall be personally liable to us or any of our stockholders for monetary damages resulting from breaches of their fiduciary duty as directors, except to the extent such limitation on or exemption from liability is not permitted under the DGCL. The effect of this provision of our Charter is to eliminate our rights and those of our stockholders (through stockholders’ derivative suits on our behalf) to recover monetary damages against a director for breach of the fiduciary duty of care as a director, including breaches resulting from negligent or grossly negligent behavior, except, as restricted by Section 102(b)(7) of the DGCL. However, this provision does not limit or eliminate our rights or the rights of any stockholder to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director’s duty of care.

If the DGCL is amended to authorize corporate action further eliminating or limiting the liability of directors, then, in accordance with our Charter, the liability of our directors to us or our stockholders will be eliminated or limited to the fullest extent authorized by the DGCL, as so amended. Any repeal or amendment of provisions of our Charter limiting or eliminating the liability of directors, whether by our stockholders or by changes in law, or the adoption of any other provisions inconsistent therewith, will (unless otherwise required by law) be prospective only, except to the extent such amendment or change in law permits us to further limit or eliminate the liability of directors on a retroactive basis.



Our Charter also provides that we will, to the fullest extent authorized or permitted by applicable law, indemnify our current and former officers and directors, as well as those persons who, while directors or officers of our corporation, are or were serving as directors, officers, employees or agents of another entity, trust or other enterprise, including service with respect to an employee benefit plan, in connection with any threatened, pending or completed proceeding, whether civil, criminal, administrative or investigative, against all expense, liability and loss (including, without limitation, attorney's fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred or suffered by any such person in connection with any such proceeding.

Notwithstanding the foregoing, a person eligible for indemnification pursuant to our Charter will be indemnified by us in connection with a proceeding initiated by such person only if such proceeding was authorized by our board of directors, except for proceedings to enforce rights to indemnification.

The right to indemnification which will be conferred by our Charter is a contract right that includes the right to be paid by us the expenses incurred in defending or otherwise participating in any proceeding referenced above in advance of its final disposition, provided, however, that if the DGCL requires, an advancement of expenses incurred by our officer or director (solely in the capacity as an officer or director of our corporation) will be made only upon delivery to us of an undertaking, by or on behalf of such officer or director, to repay all amounts so advanced if it is ultimately determined that such person is not entitled to be indemnified for such expenses under our Charter or otherwise.

The rights to indemnification and advancement of expenses will not be deemed exclusive of any other rights which any person covered by our Charter may have or hereafter acquire under law, our Charter, our Bylaws, an agreement, vote of stockholders or disinterested directors, or otherwise.

Any repeal or amendment of provisions of our Charter affecting indemnification rights, whether by our stockholders or by changes in law, or the adoption of any other provisions inconsistent therewith, will (unless otherwise required by law) be prospective only, except to the extent such amendment or change in law permits us to provide broader indemnification rights on a retroactive basis, and will not in any way diminish or adversely affect any right or protection existing at the time of such repeal or amendment or adoption of such inconsistent provision with respect to any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision. Our Charter also permits us, to the extent and in the manner authorized or permitted by law, to indemnify and to advance expenses to persons other than those specifically covered by our Charter.

Our Bylaws include the provisions relating to advancement of expenses and indemnification rights consistent with those which are set forth in our Charter. In addition, our Bylaws provide for a right of indemnity to bring a suit in the event a claim for indemnification or advancement of expenses is not paid in full by us within a specified period of time. Our Bylaws also permit us to purchase and maintain insurance, at our expense, to protect us and/or any director, officer, employee or agent of our corporation or another entity, trust, or other enterprise against any expense, liability, or loss, whether or not we would have the power to indemnify such person against such expense, liability, or loss under the DGCL.

Any repeal or amendment of provisions of our Bylaws affecting indemnification rights, whether by our board of directors, stockholders or by changes in applicable law, or the adoption of any other provisions inconsistent therewith, will (unless otherwise required by law) be prospective only, except to the extent such amendment or change in law permits us to provide broader indemnification rights on a retroactive basis, and will not in any way diminish or adversely affect any right or protection existing thereunder with respect to any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

We have entered into indemnification agreements with each of our officers and directors. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

**Item 15. Recent Sales of Unregistered Securities.*****7GC Class B Common Stock***

Prior to the IPO, the Sponsor paid an aggregate of \$25,000 to cover certain 7GC expenses on 7GC's behalf in exchange for the issuance of 5,031,250 shares of 7GC Class B Common Stock. In December 2020, the Sponsor transferred 25,000 shares of 7GC Class B Common Stock to each of Courtney Robinson, Tripp Jones, Kent Schofield, and Patrick Eggen, each of whom served on the board of directors of 7GC, at their original per share purchase price. In December 2020, 7GC effected a stock dividend of approximately 0.43 shares for each share of 7GC Class B Common Stock, resulting in an aggregate of 5,750,000 shares of 7GC Class B Common Stock issued and outstanding. Ms. Robinson and Messrs. Jones, Schofield, and Eggen then retransferred an aggregate of 14,286 shares back to the Sponsor. Immediately prior to, and substantially concurrently with, the Closing, (i) the Sponsor surrendered and forfeited to 7GC for no consideration (i) an aggregate of 396,501 shares of 7GC Class B Common Stock pursuant to the Non-Redemption Agreements and (ii) an aggregate of 825,000 shares of 7GC Class B Common Stock pursuant to the Share Transfer Agreements. The shares of 7GC Class B Common Stock are identical to the shares of 7GC Class A Common Stock included in the units sold in the IPO except that the shares of 7GC Class B Common Stock which automatically converted into shares of Class A Common Stock at Closing and were subject to certain transfer restrictions, as described in more detail below. These shares of 7GC Class B Common Stock were issued in connection with the organization of 7GC pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

Pursuant to the amended and restated certificate of incorporation of 7GC, each share of 7GC Class B Common Stock converted into one share of Class A Common Stock at the Closing. After the Closing and following the effectiveness of our Charter, each share of 7GC Class A Common Stock was automatically reclassified, redesignated and changed into one validly issued, fully paid and non-assessable share of Class A Common Stock, without any further action by the Company or any stockholder thereof. The issuance of Class A Common Stock upon automatic conversion of 7GC Class B Common Stock at the Closing has not been registered under the Securities Act in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act.

***Private Placement Warrants***

Simultaneously with the consummation of the IPO, the Sponsor purchased from 7GC an aggregate of 147,000 private placement warrants (for a purchase price of approximately \$7.35 million). Each Private Placement Warrant entitled the holder thereof to purchase one share of 7GC Class A Common Stock or Class A Common Stock at an exercise price of \$575.00 per share. The sale of the Private Placement Warrants was made pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

Pursuant to the Sponsor Forfeiture Agreement, the Sponsor forfeited all 147,000 private placement warrants in connected with the Business Combination at Closing.

***GEM Warrant***

On December 15, 2023, the Company issued GEM a warrant granting GEM the right to purchase 16,571 shares of Class A Common Stock at an exercise price of \$324.50 per share in connection with the termination of the GEM Agreement, subject to adjustment to account for increases or decreases in the number of outstanding shares of Class A Common Stock resulting from stock splits, reverse stock splits, consolidations, combinations and reclassifications. The sale of the GEM Warrant was made pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act.

***Share Transfer Agreements***

Simultaneously with the consummation of the Business Combination, the Company issued 16,500 shares of Class A Common Stock to Alco pursuant to the Share Transfer Agreements. Such shares have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

### ***Senior Convertible Notes***

On February 19, 2021, Legacy Banzai issued a convertible promissory note in the principal amount of \$1.5 million to CP BF pursuant in connection with the Loan Agreement. The Senior Convertible Notes and the shares of Class A Common Stock issuable upon conversion of the Senior Convertible Note have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

### ***7GC Promissory Notes***

On October 3, 2023 and December 12, 2023, 7GC issued unsecured promissory notes to the Sponsor in an aggregate principal amount of \$2,550,00 in connection with 7GC's IPO and the Business Combination. On February 5, 2024, the Company issued 17,812 shares of Class A Common Stock to the Sponsor upon conversion of the 7GC Promissory Notes. The 7GC Promissory Notes and the 17,812 shares of Class A Common Stock issued upon conversion of the 7GC Promissory Notes have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

### ***Yorkville Promissory Notes***

On December 14, 2023, Legacy Banzai issued a convertible promissory note in the principal amount of \$2.0 million to Yorkville pursuant to the SEPA and on February 5, 2024, and March 26, 2024, the Company issued convertible promissory notes in the principal amount of \$1.0 million and \$1.5 million, respectively, to Yorkville pursuant to the SEPA. Between January 1, 2024 and June 30, 2024, the Company issued 64,851 shares of Class A Common Stock to Yorkville upon conversion of \$1.8 million of the Yorkville Promissory Notes. In addition, on March 18, 2024, the Company issued 14,201 shares of Class A Common Stock to Yorkville in satisfaction of a deferred fee payment in the amount of \$500,000. Further, on May 3, 2024, the Company agreed to issue to Yorkville 13,373 shares of Class A Common Stock, which shares represent satisfaction of a \$200,000 Payment Premium due in accordance with the Yorkville Promissory Notes in connection with our early redemption of \$2 million outstanding under the Yorkville Promissory Notes with the proceeds from the sale of our securities in this offering. The issuance by the Company of the Yorkville Promissory Notes and the shares of Class A Common Stock issued to Yorkville and issuable upon conversion of the Yorkville Promissory Notes have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

### ***GEM Promissory Note***

On February 5, 2024, the Company issued the GEM Promissory Note in the principal amount of \$1.0 million to GEM pursuant to the GEM Settlement Agreement. The GEM Promissory Note provides for the issuance of shares of Class A Common Stock at a conversion price equal to the VWAP of the trading day immediately preceding the applicable payment due date. As of the date of this prospectus, we have issued an aggregate of 40,000 shares of Class A Common Stock to GEM in satisfaction of the aggregate \$529,942.76 principal amount outstanding under the GEM Promissory Note. The issuance by the Company of the GEM Promissory Note and the shares of Class A Common Stock issued to GEM and issuable upon conversion of any amount under the GEM Promissory Note have not been registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

### ***Cantor Shares***

On December 28, 2023, the Company issued 22,279 shares of Class A Common Stock to Cantor pursuant to the Fee Reduction Agreement as consideration for advisory services provided by Cantor in connection with the Business Combination. Such shares were issued in a transaction exempt from registration in reliance on Section 4(a)(2) of the Securities Act.

### ***Roth Shares***

On February 2, 2024, the Company issued 3,500 shares of Class A Common Stock to Roth pursuant to the Roth Addendum as consideration for advisory services provided by Roth in connection with the Business Combination. Such shares were issued in a transaction exempt from registration in reliance on Section 4(a)(2) of the Securities Act.

### ***Marketing Agreement Shares***

Effective March 20, 2024, the Company issued to a consultant (the "Marketing Consultant") 3,070 shares of its Class A Common Stock, which shares represented \$200,000 of compensation for the Marketing Consultant's services under a marketing services agreement. The shares were issued to the Marketing Consultant in a transaction exempt from registration in reliance on Section 4(a)(2) of the Securities Act.

### ***Consulting Services Agreement Shares***

On April 13, 2024, the Company entered into a Consulting Services Agreement with a consultant (the "Business Consultant"). The Company agreed to issue to the Business Consultant a total of 6,400 shares of its Class A Common Stock.

### ***Debt Equitization Issuances***

From August 23, 2024 to September 23, 2024 the Company entered into various agreements to reorganize outstanding debt from certain creditors (collectively, the "Creditors") into shares of the Company's Class A Common Stock (the "Shares") (collectively, the "Debt Reorganization"). The Shares issued as part of the Debt Reorganization are a mix of Shares that are to be registered with the Securities and Exchange Commission (the "SEC") in a registration statement on Form S-1 and Shares that are exempt from registration. As of October 14, the Company has issued an aggregate of 614,973 Shares to the Creditors in exchange for the cancellation of an aggregate of \$2,580,541.17 of debt; the Company agreed to issue an aggregate of 420,669 additional Shares pursuant to the Debt Reorganization.

### ***CP BF/Alco Shares***

On October 8, 2024, we issued an aggregate of 543,269 shares of Class A Common Stock to CP BF and Alco, pursuant to the agreements we entered into with them in September 2024 and are exempt from registration.

### ***Hudson Global Ventures Shares***

On October 15, 2024, the Company issued 45,000 shares of Class A Common Stock to Hudson pursuant to the Consulting Agreement as consideration for advisory services provided by Hudson. Such shares were issued in a transaction exempt from registration in reliance on Section 4(a)(2) of the Securities Act.

**Item 16. Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
2.1+	<a href="#"><u>Agreement and Plan of Merger, dated December 8, 2022, by and among Banzai, 7GC, First Merger Sub and Second Merger Sub (incorporated by reference to Annex A-1 to the Registration Statement on Form S-4 filed on August 31, 2023).</u></a>
2.2	<a href="#"><u>Amendment to Agreement and Plan of Merger, dated August 4, 2023, by and among the Company and 7GC (incorporated by reference to Annex A-2 to the Registration Statement on Form S-4 filed on August 31, 2023).</u></a>
3.1	<a href="#"><u>Second Amended and Restated Certificate of Incorporation of the Company, dated December 14, 2023. (incorporated by reference to the Exhibit 3.1 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
3.2	<a href="#"><u>Second Amended and Restated Bylaws of the Company, dated December 14, 2023 (incorporated by reference to the Exhibit 3.2 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
3.3	<a href="#"><u>Amendment to Second Amended and Restated Certificate of Incorporation of the Company, dated September 11, 2024. (incorporated by reference to the Exhibit 3.1 to the Current Report on Form 8-K filed on September 16, 2024).</u></a>
4.1	<a href="#"><u>Specimen Class A Common Stock Certificate of the Company (incorporated by reference to the Exhibit 4.1 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
4.2	<a href="#"><u>Specimen Class B Common Stock Certificate of the Company (incorporated by reference to the Exhibit 4.2 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
4.3	<a href="#"><u>Specimen Warrant Certificate of the Company (incorporated by reference to the Exhibit 4.3 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
4.4	<a href="#"><u>Warrant Agreement, dated December 22, 2020, by and between 7GC and Continental Stock Transfer &amp; Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by 7GC on December 28, 2020).</u></a>
4.5	<a href="#"><u>Amended and Restated Convertible Promissory Note, by and among Banzai and CP BF Lending, LLC (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form S-4 filed by 7GC on August 30, 2023).</u></a>
4.6	<a href="#"><u>Subordinated Promissory Note, dated December 13, 2023, issued by the Company to Alco Investment Company (incorporated by reference to the Exhibit 4.5 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>

Exhibit No.	Description
4.7	<a href="#"><u>Warrant to Purchase Shares of Common Stock of Banzai International, Inc., dated December 15, 2023, issued by the Company to GEM Yield Bahamas Limited (incorporated by reference to the Exhibit 4.7 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
4.8	<a href="#"><u>Promissory Note, dated as of December 14, 2023, issued by Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.) to YA II PN, LTD. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed on December 18, 2023).</u></a>
4.9	<a href="#"><u>Promissory Note, dated as of February 5, 2024, issued by Banzai International, Inc. to YA II PN, LTD (incorporated by reference to the Exhibit 4.11 to the Registration Statement on Form S-1 filed on February 5, 2024).</u></a>
4.10	<a href="#"><u>Promissory Note, dated as of March 26, 2024, issued by Banzai International, Inc. to YA II PN, LTD (incorporated by reference to Exhibit 4.10 to the Annual Report on Form 10-K filed on April 1, 2024).</u></a>
4.11	<a href="#"><u>Promissory Note, dated October 3, 2023, issued by 7GC to the Sponsor (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by 7GC on October 4, 2023).</u></a>
4.12	<a href="#"><u>Unsecured Promissory Note, dated February 5, 2024, issued by the Company to GEM Global Yield LLC SCS (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed on February 8, 2024).</u></a>
4.13	Reserved.
4.14	Reserved.
4.15	<a href="#"><u>Form of Common Warrant (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed on May 28, 2024).</u></a>
4.16	<a href="#"><u>Subordinated Promissory Note, dated as of August 30, 2023, by and between Banzai International, Inc., Alco Investment Company and CP BF Lending, LLC (incorporated by reference to Exhibit 4.21 to the Registration Statement filed on Form S-1 on September 19, 2024).</u></a>
4.17	<a href="#"><u>Amendment No. 3 to August 30, 2023 Subordinated Promissory Note (incorporated by reference to Exhibit 4.22 to the Registration Statement filed on Form S-1 on September 19, 2024).</u></a>
4.18	<a href="#"><u>Amendment No. 4 to November 16, 2023 Subordinated Promissory Note (incorporated by reference to Exhibit 4.24 to the Registration Statement filed on Form S-1 on September 19, 2024).</u></a>
4.19	<a href="#"><u>Private Placement Warrant, dated as of September 20, 2024, by and between Banzai International, Inc. and Alco Investment Company (incorporated by reference to the Exhibit 10.23 to the Current Report on Form 8-K filed on September 25, 2024).</u></a>
4.20	<a href="#"><u>Pre-funded Private Placement Warrant, dated as of September 20, 2024, by and between Banzai International, Inc. and Alco Investment Company (incorporated by reference to the Exhibit 10.22 to the Current Report on Form 8-K filed on September 25, 2024).</u></a>
4.21	<a href="#"><u>Private Placement Warrant, dated as of September 23, 2024, by and between Banzai International, Inc. and CP BF Lending, LLC (incorporated by reference to the Exhibit 10.27 to the Current Report on Form 8-K filed on September 25, 2024).</u></a>
4.22	<a href="#"><u>Pre-funded Private Placement Warrant, dated as of September 23, 2024, by and between Banzai International, Inc. and CP BF Lending, LLC (incorporated by reference to the Exhibit 10.26 to the Current Report on Form 8-K filed on September 25, 2024).</u></a>
4.23	<a href="#"><u>Convertible Note, dated as of September 23, 2024, by and between Banzai International, Inc. and CP BF Lending, LLC.*</u></a>
4.24	<a href="#"><u>Form of Pre-Funded Warrant (incorporated by reference to the Exhibit 4.1 to the Current Report on Form 8-K filed on September 27, 2024).</u></a>
4.25	<a href="#"><u>Form of Series A Warrant (incorporated by reference to the Exhibit 4.2 to the Current Report on Form 8-K filed on September 27, 2024).</u></a>
4.26	<a href="#"><u>Form of Series B Warrant (incorporated by reference to the Exhibit 4.3 to the Current Report on Form 8-K filed on September 27, 2024).</u></a>
4.27	<a href="#"><u>Form of Placement Agent Warrant (incorporated by reference to the Exhibit 4.4 to the Current Report on Form 8-K filed on September 27, 2024).</u></a>
5.1	<a href="#"><u>Opinion of Hunter Taubman Fischer &amp; Li LLC.*</u></a>
10.1	<a href="#"><u>Letter Agreement, dated December 22, 2020, by and among 7GC, its officers, its directors and the Sponsor (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by 7GC on December 28, 2020).</u></a>
10.2	<a href="#"><u>Private Placement Warrants Purchase Agreement, dated December 22, 2020, by and between 7GC and the Sponsor (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed by 7GC on December 28, 2020).</u></a>
10.3	<a href="#"><u>Amended and Restated Registration Rights Agreement, dated December 14, 2023, by and among the Company, the Sponsor, certain stockholders of the Company (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed on December 20, 2023).</u></a>
10.4	<a href="#"><u>Form of Lock-Up Agreement, by and between the Company and certain stockholders and executives of Legacy Banzai (incorporated by reference to Annex D to the Registration Statement on Form S-4 filed on August 31, 2023).</u></a>
10.5	<a href="#"><u>Banzai International, Inc. 2023 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 filed on March 25, 2024).</u></a>
10.6	<a href="#"><u>Banzai International, Inc. 2023 Employee Stock Purchase Plan (incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8 filed on March 25, 2024).</u></a>

- 10.7 [Loan Agreement, dated February 19, 2021, by and among the Company, Joseph P. Davy as an Individual Guarantor, Demio, Inc., as an Individual Guarantor and CP BF Lending, LLC, as Lender \(incorporated by reference to Exhibit 10.16 to the Registration Statement on Form S-4 filed by 7GC on August 30, 2023\).](#)
- 10.8 [Forbearance Agreement, dated August 24, 2023, by and among the Company, the guarantors party to the Loan Agreement \(as defined therein\), and CP BF Lending, LLC \(incorporated by reference to Exhibit 10.18 to the Registration Statement on Form S-4 filed by 7GC on August 30, 2023\).](#)
- 10.9 Reserved.

Exhibit No.	Description
10.10	<a href="#">Standby Equity Purchase Agreement, dated as of December 14, 2023, by and among Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.), YA II PN, LTD., and Banzai Operating Co LLC (f/k/a Banzai International, Inc.) (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on December 18, 2023).</a>
10.11	<a href="#">Registration Rights Agreement, dated as of December 14, 2023, by and between Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.) and YA II PN, LTD. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed on December 18, 2023).</a>
10.12	<a href="#">Share Transfer Agreement, dated December 13, 2023, by and among the Company, the Sponsor and Alco Investment Company (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed on December 20, 2023).</a>
10.13	<a href="#">Form of Indemnification Agreement by and between the Company and its directors and officers (incorporated by reference to Exhibit 10.8 to the Current Report on Form 8-K filed on December 20, 2023).</a>
10.14	<a href="#">Amendment to Fee Reduction Agreement, dated December 28, 2023, by and between Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.) and Cantor Fitzgerald (incorporated by reference to Exhibit 10.26 of Amendment No. 1 to the Registration Statement on Form S-1 filed on February 5, 2024).</a>
10.15	<a href="#">Settlement Agreement, dated February 5, 2024, by and between Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.), GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (incorporated by reference to Exhibit 10.27 of Amendment No. 1 to the Registration Statement on Form S-1 filed on February 5, 2024).</a>
10.16	Reserved.
10.17	<a href="#">Supplemental Agreement, dated February 5, 2024, by and between Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.) and YA II PN, LTD (incorporated by reference to Exhibit 10.29 of Amendment No. 1 to the Registration Statement on Form S-1 filed on February 5, 2024).</a>
10.18	<a href="#">Addendum to Letter Agreements, dated February 5, 2024, by and between Banzai International, Inc. (f/k/a 7GC &amp; Co. Holdings Inc.) and Roth Capital Partners, LLC (incorporated by reference to Exhibit 10.30 of Amendment No. 1 to the Registration Statement on Form S-1 filed on February 5, 2024).</a>
10.19	<a href="#">Second Amendment to Loan Agreement by and among the Company, Demio Holding Inc., Banzai Operating Co. LLC and CP BF Lending, LLC, as Lender dated as of September 23, 2024 (incorporated by reference to the Exhibit 10.19 to the Current Report on Form 8-K filed on September 25, 2024).</a>
10.20	<a href="#">Debt Repayment Agreement, dated as of May 3, 2024, by and among the Company and Yorkville (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed on May 16, 2024).</a>
10.21	<a href="#">Amended and Restated Debt Repayment Agreement, dated as of May 22, 2024, by and between the Company and Yorkville (incorporated by reference to Exhibit 4.12 to the Registration Statement filed on Form S-1 on September 19, 2024).</a>
10.22	<a href="#">Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on May 28, 2024).</a>
10.23	<a href="#">Form of Securities Purchase Agreement (incorporated by reference to the Exhibit 10.1 to the Current Report on Form 8-K filed on September 27, 2024).</a>
10.24	<a href="#">Lock-up Agreement, dated as of September 20, 2024, by and between Banzai International, Inc. and Alco Investment Company (incorporated by reference to the Exhibit 10.21 to the Current Report on Form 8-K filed on September 25, 2024).</a>
10.25	<a href="#">Form of Registration Rights Agreement, by and between Banzai International, Inc. and Alco Investment Company (incorporated by reference to the Exhibit 10.20 to the Current Report on Form 8-K filed on September 25, 2024).</a>
10.26	<a href="#">Securities Purchase Agreement, dated as of September 23, 2024, by and between Banzai International, Inc. and CP BF Lending, LLC.*</a>
10.27	<a href="#">Lock-up Agreement, dated as of September 23, 2024, by and between Banzai International, Inc. and CP BF Lending, LLC (incorporated by reference to the Exhibit 10.25 to the Current Report on Form 8-K filed on September 25, 2024).</a>
10.28	<a href="#">Form of Registration Rights Agreement, by and between Banzai International, Inc. and CP BF Lending, LLC (incorporated by reference to the Exhibit 10.24 to the Current Report on Form 8-K filed on September 25, 2024).</a>
10.29	<a href="#">Form of Registration Rights Agreement (incorporated by reference to the Exhibit 10.2 to the Current Report on Form 8-K filed on September 27, 2024).</a>
10.30	<a href="#">Securities Purchase Agreement, dated as of September 20, 2024, by and between Banzai International, Inc. and Alco Investment Company.*</a>
10.31	<a href="#">Repayment Agreement with Perkins Coie, LLP.*</a>
10.32	<a href="#">Amended and Restated Repayment Agreement with J.V.B Financial Group, LLC.*</a>
10.33	<a href="#">Investor Relations Consulting Agreement with MZHCI, LLC.*</a>
10.34	<a href="#">Side Letter to the Loan Agreement with CP BF Lending, LLC (incorporated by reference to the Exhibit 10.6 to the Current Report on Form 8-K filed on September 25, 2024).</a>
10.35	<a href="#">Floor Price Adjustment Agreement with Yorkville Advisors.*</a>



10.36	<a href="#">Repayment Agreement with Cooley LLP.*</a>
10.37	<a href="#">Settlement Letter with CohnReznick LLP.*</a>
10.38	<a href="#">Repayment Agreement with Sidley Austin LLP.*</a>
10.39	<a href="#">Repayment Agreement with Donnelley Financial LLC.*</a>
10.40	<a href="#">Repayment Agreement with Verista Partners, Inc.*</a>
10.41	<a href="#">Consulting Agreement dated as of September 26, 2024 by and between the Company and Hudson Global Ventures, LLC.*</a>
21.1	<a href="#">List of Subsidiaries (incorporated by reference to the Exhibit 21.1 to the Annual Report on Form 10-K filed on April 1, 2024).</a>
23.1	<a href="#">Consent of Marcum, LLP, independent registered public accounting firm for Legacy Banzai and the Company.*</a>
23.2	<a href="#">Consent of Hunter Taubman Fischer &amp; Li LLC (included in Exhibit 5.1).</a>
24.1	<a href="#">Power of Attorney (Included on signature page)*</a>
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).
107	<a href="#">Filing Fee Table*</a>

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\* Filed herewith.

(1) Incorporated by reference to the Registration Statement on Form S-1 filed with the SEC on September 24, 2024

+ The schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

# Indicates management contract or compensatory plan or arrangement.

**Item 17. Undertakings.**

The undersigned registrant hereby undertakes:

- A. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
- (i) To include any prospectus required by section 10(a)(3) of the Securities Act;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- B. That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- C. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- D. That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements filed in reliance on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

- E. That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
  - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
  - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
  - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- F. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
- G. The undersigned registrant hereby undertakes that:
- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
  - (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Bainbridge Island, State of Washington on October 16, 2024.

BANZAI INTERNATIONAL, INC.

/s/ Joseph Davy

Name: Joseph Davy

Title: Chief Executive Officer

### Power of Attorney

Each person whose signature is noted with an asterisk below constitutes and appoints Joseph Davy as attorney-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act, and any rules, regulations, and requirements of the U.S. Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of securities of the registrant, including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form S-1 (the "Registration Statement") to be filed with the U.S. Securities and Exchange Commission with respect to such securities, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Joseph Davy</u> Joseph Davy	Chief Executive Officer and Director (Principal Executive Officer)	October 16, 2024
<u>/s/ Alvin Yip</u> Alvin Yip	Interim Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 16, 2024
<u>*</u> Paula Boggs	Director	October 16, 2024
<u>*</u> Kent Schofield	Director	October 16, 2024
<u>*</u> Jack Leeney	Director	October 16, 2024
<u>*</u> Mason Ward	Director	October 16, 2024

\*By: /s/ Joseph Davy

Joseph Davy, Attorney-in-Fact

**Note - THIS SECURED CONVERTIBLE PROMISSORY NOTE HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS NOTE AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS NOTE MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES. ANY TRANSFEREE OF THIS SECURED CONVERTIBLE PROMISSORY NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS SECURED CONVERTIBLE PROMISSORY NOTE. THE PRINCIPAL AMOUNT REPRESENTED BY THIS SECURED CONVERTIBLE PROMISSORY NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF.**

**Banzai International, Inc.**

**Secured Convertible Promissory Note**

Original Issuance Date: September 23, 2024

Principal: \$10,758,774.75

**FOR VALUE RECEIVED**, Banzai International, Inc., a Delaware corporation (the "Maker" or the "Company"), hereby promises to pay to CP BF Lending, LLC, a Delaware limited liability company, or registered assigns (the "Holder"), collectively, the principal sum of \$10,758,774.75 (as such amount may be increased from time to time pursuant) or such amount as shall equal the outstanding principal amount hereof, together with paid-in-kind interest, accrued interest and any Exit Fee owing on the Consolidated Convertible Loan (as defined in the Loan Agreement (as defined below)). For certainty, all amounts referred to in this Secured Convertible Promissory Note (this "Note" and together with all other Secured Convertible Promissory Notes issued pursuant to the Loan Agreement (as defined below), the "Notes") and each other Loan Document are in the currency of the United States of America unless otherwise explicitly stated. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in that certain Loan Agreement dated February 19, 2021, by and among the Company, the Holder, and the guarantor parties thereto, as the same may be amended from time to time (the "Loan Agreement"). The Loan Agreement is incorporated herein by this reference and the terms of the Loan Agreement shall control to the extent of any inconsistency between the terms of the Notes and the Loan Agreement.

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The Maturity Date of this Note shall be the Loan Maturity Date or, if earlier, the date on which the Consolidated Convertible Loan becomes due and payable pursuant to the terms of this Agreement or any other Loan Document (the “Maturity Date”). All unpaid principal, together with any then unpaid and accrued interest (including any paid-in-kind interest) and other amounts payable hereunder shall be due and payable on the Maturity Date. Except in compliance with the provisions of the Loan Agreement, the Company may not prepay this Convertible Note in whole or in part without the consent of the Holder.

This Note is issued secured by a first lien security interest as evidenced by and to the extent set forth in the Security Agreement.

All payments under or pursuant to this Note shall be made in United States dollars in immediately available funds to the Holders at the addresses of the Holders set forth in the Loan Agreement or at such other place as a Holder may designate from time-to-time in writing to the Maker or by wire transfer of funds to a Holder’s account designated in writing by such Holder to the Maker.

1.1 Loan Agreement; Subsidiary Guaranty. This Note has been executed and delivered pursuant to the Loan Agreement and that certain Second Amendment to the Loan Agreement, dated as of September 23, 2024 (the “Original Issuance Date”), by and among Maker, the Guarantors, and Holder (the “Second Amendment”). The full amount of this Note and all the cash payment obligations of the Company under the Loan Documents shall be guaranteed in full by the Guarantors pursuant to each Guaranty.

1.2 Obligations. Maker promises to pay interest (including paid-in-kind interest) on the unpaid principal amount of the Consolidated Convertible Loan at such times and at such interest rates as are specified in the Loan Agreement. Demand, diligence, presentment, protest and notice of non-payment and protest are hereby waived by the Maker. The Loan Agreement, among other things, (a) provides for the making of the Consolidated Convertible Loan, the indebtedness of the Maker resulting from such Consolidated Convertible Loan being evidenced by this Note and (b) contains provisions for acceleration of the maturity of the unpaid principal amount of this Note upon the happening of certain stated events and also for prepayments on account of the principal hereof prior to the maturity hereof upon the terms and conditions specified therein.

1.3 Transfer. Neither the Maker nor any Guarantor may assign any of its rights hereunder or under any other Loan Document without the Holder’s prior written consent, given or withheld in the Holder’s sole discretion. For greater certainty, the Holder may, subject to applicable laws, assign all or any portion of its right and obligations under this Note or any of the Loan Documents at any time, upon reasonable prior notice to Maker but without the consent of the Maker or the Guarantors.

1.4 Replacement. Upon receipt of a duly executed Affidavit of Loss and Indemnity Agreement in customary form from a Holder with respect to the loss, theft or destruction of this Note (or any replacement hereof), or, in the case of a mutilation of this Note, upon surrender and cancellation of such Note, the Maker shall issue a new Note, of like tenor and amount, in lieu of such lost, stolen, destroyed or mutilated Note.

1.5 Status of Note. The obligations of the Maker under this Note shall rank senior to all other existing Indebtedness and equity of the Company to the extent of the first lien security interest in the collateral per the Security Agreement. The obligations of the Maker under this Note shall rank *pari passu* with the amounts owed to the Holders. Upon any Liquidation Event (as hereinafter defined), the Holders will be entitled to receive, before any distribution or payment is made upon, or set apart with respect to, any Indebtedness of the Maker or any class of capital stock of the Maker, an amount equal to the greater of (a) the outstanding Principal, Interest and any other sums due and (b) the amount that would have been received by Holders had they converted the Notes into Common Stock immediately prior to such Liquidation Event and participated in distributions payable to the holders of the Common Stock. For purposes of this Note, "Liquidation Event" means (i) a liquidation pursuant to a filing of a petition for bankruptcy under applicable law or any other insolvency or debtor's relief, an assignment for the benefit of creditors, or a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Maker or (ii) a Change of Control transaction.

## ARTICLE 2

### 2.1 Conversion.

(a) Conversion. At any time on or following the date of effectiveness of the first resale registration statement covering the applicable Conversion Shares and prior to the close of business on the last Trading Day immediately preceding the Maturity Date, this Note shall be convertible (in whole or in part) at the option of a Holder into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing (x) that portion of the outstanding Principal that such Holder elects to convert (the "Conversion Amount") by (y) the Conversion Price then in effect on the date on which a Holder delivers to the Maker a notice of conversion in substantially the form attached hereto as Exhibit B (the "Conversion Notice"). A Holder shall deliver this Note to the Maker at the address designated in the Loan Agreement at such time that this Note is fully converted. With respect to partial conversions of this Note, the Maker shall keep written records of the amount of this Note converted as of the date of such conversion (each, a "Conversion Date").

(b) Conversion Price. The "Conversion Price" means \$3.89 and shall be subject to adjustment as provided herein.

2.2 Delivery of Conversion Shares. As soon as practicable after any conversion or payment of any amount due hereunder in the form of shares of Common Stock in accordance with this Note, and in any event within the Standard Settlement Period thereafter (such date, the "Share Delivery Date"), the Maker shall, at its expense, cause to be issued in the name of and delivered to the relevant Holder, or as such Holder may direct, a certificate or certificates evidencing the number of shares of fully paid and non-assessable Common Stock to which such Holder shall be entitled on such conversion or payment (the "Conversion Shares"), in the applicable denominations based on the applicable conversion or payment, which certificate or certificates shall be free of restrictive and trading legends (except for any such legends as may be required under the Securities Act). In lieu of delivering physical certificates for the Common Stock issuable upon any conversion of this Note, provided the Company's transfer agent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer program or a similar program, upon request of such Holder, the Company shall cause its transfer agent to electronically transmit such Conversion Shares issuable upon conversion of this Note to such Holder (or its designee), by crediting the account of such Holder's (or such designee's) broker with DTC through its Deposit Withdrawal Agent Commission system (provided that the same time periods herein as for stock certificates shall apply) as instructed by such Holder (or its designee).

### 2.3 Adjustment of Conversion Price.

(a) Until the Note has been paid in full or converted in full, the Conversion Price shall be subject to adjustment from time to time as follows (but shall not be increased, other than pursuant to a combination):

(i) Adjustments for Stock Splits and Combinations. If the Maker shall at any time or from time-to-time after the Original Issuance Date effect a split of the outstanding Common Stock, the applicable Conversion Price in effect immediately prior to the stock split shall be proportionately decreased. If the Maker shall at any time or from time-to-time after the Original Issuance Date, combine the outstanding Common Stock into a lesser number of shares, the applicable Conversion Price in effect immediately prior to the combination shall be proportionately increased. Any adjustments under this Section 2.3(a)(i) shall be effective at the close of business on the date the stock split or combination occurs.

(ii) Adjustments for Certain Dividends and Distributions. If the Maker shall at any time or from time to time after the date of this Note make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in Common Stock, then, and in each event, the applicable Conversion Price in effect immediately prior to such event shall be decreased as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction:

(A) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

(B) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.



(iii) Adjustment for Other Dividends and Distributions. If the Maker shall at any time or from time to time after the date of this Note make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in other Common Stock, then, and in each event, an appropriate revision to the applicable Conversion Price shall be made and provision shall be made (by adjustments of the Conversion Price or otherwise) so that the Holders of this Note shall receive upon conversions thereof, in addition to the number of shares of Common Stock receivable thereon, the number of securities of the Maker or other issuer (as applicable) or other property that it would have received had this Note been converted into Common Stock in full (without regard to any conversion limitations herein) on the date of such event and had thereafter, during the period from the date of such event to and including the Conversion Date, retained such securities (together with any distributions payable thereon during such period) or assets, giving application to all adjustments called for during such period under this Section 2.3(a) (iii) with respect to the rights of the Holders; *provided, however*, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(iv) Adjustments for Reclassification, Exchange or Substitution. If the Common Stock at any time or from time to time after the date of this Note shall be changed to the same or different number of shares or other securities of any class or classes of stock or other property, whether by reclassification, exchange, substitution or otherwise (other than by way of a stock split or combination of shares or stock dividends provided for in Sections 2.3(a)(i), (ii) and (iii) hereof, or a reorganization, merger, consolidation, or sale of assets provided for in Section 2.3(a)(iv) hereof), then, and in each event, an appropriate revision to the Conversion Price shall be made and provisions shall be made (by adjustments of the Conversion Price or otherwise) so that the Holders shall have the right thereafter to convert this Note into the kind and amount of shares of stock or other securities or other property receivable upon reclassification, exchange, substitution or other change, by holders of the number of shares of Common Stock into which such Note might have been converted immediately prior to such reclassification, exchange, substitution or other change, all subject to further adjustment as provided herein.

(v) Adjustment Due to Dilutive Issuance. If the Company shall issue or sell any additional Common Stock after the date hereof (other than any Exempt Issuance), then the aggregate number of Conversion Shares issuable pursuant to this Note will be increased, from and after the date of such issuance, to that number of shares of Common Stock determined by multiplying (i) the aggregate number of Conversion Shares immediately prior to such issuance or sale, by (ii) a fraction (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance or sale plus the number of shares of Common Stock issued in such issuance or sale (in each case, as determined on a Fully Diluted Basis), and (y) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance or sale (as determined on a Fully Diluted Basis) plus the number of shares of Common Stock that the aggregate consideration received by the Company in such issuance or sale would purchase at the Conversion Price in effect immediately before such issuance or sale. The Conversion Price shall also be proportionately reduced in connection with any such adjustment, such that the aggregate Conversion Price for an exercise in full of this Note after such adjustment shall be equal to such aggregate Conversion Price immediately prior to such adjustment. For purposes hereof, "Fully Diluted Basis" means, with respect to the Common Stock at any time of determination, the number of shares of Common Stock that would be issued and outstanding at such time, assuming that all outstanding options, rights or warrants to subscribe for Common Stock and all derivative and convertible securities have been exercised, converted or exchanged, including this Note.

(vi) Fractional Shares. If any adjustments to the Conversion Price under this Section 2.3 result in a fractional amount, the fractional amount rounded down to the nearest whole cent.

(vii) Consideration for Stock. In case any Common Stock or any Common Stock Equivalents shall be issued or sold:

(A) in connection with any merger or consolidation in which the Maker is the surviving corporation (other than any consolidation or merger in which the previously outstanding Common Stock of the Maker shall be changed to or exchanged for the stock or other securities of another corporation), the amount of consideration therefor shall be, deemed to be the fair value, as determined reasonably and in good faith by the board of directors of the Maker, of such portion of the assets and business of the non-surviving corporation as such board of directors may determine to be attributable to such Common Stock, Convertible Securities, rights or warrants or options, as the case may be; or

(B) in the event of any consolidation or merger of the Maker in which the Maker is not the surviving corporation or in which the previously outstanding Common Stock of the Maker shall be changed into or exchanged for the stock or other securities of another corporation or other property, or in the event of any sale of all or substantially all of the assets of the Maker for stock or other securities or other property of any corporation, the Maker shall be deemed to have issued Common Stock, at a price per share equal to the valuation of the Maker's Common Stock based on the actual exchange ratio on which the transaction was predicated, as applicable, and the fair market value on the date of such transaction of all such stock or securities or other property of the other corporation. If any such calculation results in adjustment of the applicable Conversion Price, or the number of shares of Common Stock issuable upon conversion of the Note, the determination of the applicable Conversion Price or the number of shares of Common Stock issuable upon conversion of the Note immediately prior to such merger, consolidation or sale, shall be made after giving effect to such adjustment of the number of shares of Common Stock issuable upon conversion of the Note. In the event Common Stock are issued with other shares or securities or other assets of the Maker for consideration which covers both, the consideration computed as provided in this Section 2.3(a)(vii) shall be allocated among such securities and assets as determined in good faith by the board of directors of the Maker.

(viii) Record Date. In case the Maker shall take record of the holders of its Common Stock for the purpose of entitling them to subscribe for or purchase Common Stock or Convertible Securities, then the date of the issue or sale of the Common Stock shall be deemed to be such record date.

(b) No Impairment. The Maker shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Maker, but will at all times in good faith assist in the carrying out of all the provisions of this Section 2.3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the Holders against impairment.

(c) Certificates as to Adjustments. Upon occurrence of each adjustment or readjustment of the Conversion Price or number of shares of Common Stock issuable upon conversion of this Note pursuant to this Section 2.3, the Maker at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Holders a certificate setting forth such adjustment and readjustment, showing in detail the facts upon which such adjustment or readjustment is based. The Maker shall, upon written request of a Holder, at any time, furnish or cause to be furnished to such Holder a like certificate setting forth such adjustments and readjustments, the applicable Conversion Price in effect at the time, and the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon the conversion of this Note. Notwithstanding the foregoing, the Maker shall not be obligated to deliver a certificate unless such certificate would reflect an increase or decrease of at least one percent of such adjusted amount.

(d) Issue Taxes. The Maker shall pay any and all issue and other taxes, excluding federal, state or local income taxes, that may be payable in respect of any issue or delivery of Common Stock on conversion of this Note pursuant thereto; *provided, however*, that the Maker shall not be obligated to pay any transfer taxes resulting from any transfer requested by a Holder in connection with any such conversion.

(e) Fractional Shares. No fractional Common Stock shall be issued upon conversion of this Note. In lieu of any fractional shares to which the Holders would otherwise be entitled, the Maker shall pay cash equal such fractional shares multiplied by the Conversion Price then in effect.

(f) Reservation of Common Stock. The Maker shall at all while this Note shall be outstanding, reserve and keep available out of its authorized but unissued Common Stock the Required Minimum of Common Stock (disregarding for this purpose any and all limitations of any kind on such conversion). The Maker shall, from time-to-time, increase the authorized number of shares of Common Stock or take other effective action if at any time the unissued number of authorized shares shall not be sufficient to satisfy the Maker's obligations under this Section 2.3(f).

### ARTICLE 3

3.1 Representations and Warranties. The Maker, on its own behalf and on behalf of the Guarantors, as applicable, represents and warrants to the Holder on the date hereof that the representations and warranties set forth in the Loan Agreement are true and correct.

## ARTICLE 4

4.1 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via email at the email address specified in this Section 4.1 prior to 5:00 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via email at the email address specified in this Section 4.1 on a day that is not a Trading Day or later than 5:00 p.m. (New York City time) on any date and earlier than 11:59 p.m. (New York City time) on such date, (c) the Trading Day following the date of delivery to a carrier, if sent by U.S. nationally recognized overnight courier service next Trading Day delivery, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses for notice shall be as set forth in the Loan Agreement.

4.2 Governing Law; Exclusive Jurisdiction; Attorneys' Fees. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. The Company agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Note and any other Loan Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in New York, New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Note and any of the Loan Documents), and hereby irrevocably waives, and agrees not to assert in any action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such action or proceeding is improper or is an inconvenient venue for such action or proceeding. The Company hereby irrevocably waives personal service of process and consents to process being served in any such action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an action or proceeding to enforce any provisions of this Note and the other Loan Documents, then, in addition to the obligations of the Company elsewhere in this Agreement, the prevailing party in such action or proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. This Note shall not be interpreted or construed with any presumption against the party causing this Note to be drafted.

4.3 Headings. Article and section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

4.4 Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, under any other Loan Document, at law or in equity (including, without limitation, a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Holder's right to pursue actual damages for any failure by the Maker to comply with the terms of this Note or any other Loan Document. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holders thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Maker (or the performance thereof). The Maker acknowledges that a breach by it of its obligations hereunder will cause irreparable and material harm to the Holders and that the remedy at law for any such breach would be inadequate. Therefore, the Maker agrees that, in the event of any such breach or threatened breach, the Holders shall be entitled, in addition to all other available rights and remedies, at law or in equity, to seek equitable relief, including but not limited to an injunction restraining any such breach or threatened breach, without the necessity of pleading and proving irreparable harm or lack of an adequate remedy at law and without any bond or other security being required.

4.5 Enforcement Expenses. The Maker agrees to pay all costs and expenses of enforcement by the Holders of this Note, including, without limitation, reasonable attorneys' fees and expenses.

4.6 Binding Effect. The obligations of the Maker set forth herein shall be binding upon its successors and assigns, whether or not such successors or assigns are permitted by the terms herein.

4.7 Amendments; Waivers. No provision of this Note may be waived or amended except in a written instrument signed by the Company and the Holders. No waiver of any default with respect to any provision, condition or requirement of this Note shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of the Holders to exercise any right hereunder in any manner impair the exercise of any such right.

4.8 Compliance with Securities Laws. Each Holder of this Note acknowledges that this Note is being acquired solely for such Holder's own account and not as a nominee for any other party, and for investment, and that such Holder shall not offer, sell or otherwise dispose of this Note in violation of applicable securities laws. This Note and any Note issued in substitution or replacement therefor shall be stamped or imprinted with a legend in substantially the following form:

"THIS NOTE HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR OR THE MAKER TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY."

4.9 Exclusive Jurisdiction; Venue. Any action, proceeding or claim arising out of, or relating in any way to, this Note shall be brought and enforced only as provided in the Loan Agreement.

4.10 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holders in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

4.11 Maker Waivers. Except as otherwise specifically provided herein, the Maker and all others that may become liable for all or any part of the obligations evidenced by this Note, hereby waive presentment, demand, notice of nonpayment, protest and all other demands' and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and do hereby consent to any number of renewals or extensions of the time or payment hereof and agree that any such renewals or extensions may be made without notice to any such persons and without affecting their liability herein and do further consent to the release of any person liable hereon, all without affecting the liability of the other persons, firms or Maker liable for the payment of this Note, and do hereby waive the right to a trial by jury.

4.12 Definitions. Capitalized terms used herein and not defined shall have the meanings set forth in the Loan Agreement unless otherwise defined in Exhibit A attached hereto.

4.13 Taxes Yield Protection and Increased Costs.

(a) All payments made to the Holder will be made free and clear of any taxes, withholdings or other deductions of any nature. If any such taxes, deductions or withholdings are required by law to be made or paid and the Maker or any Guarantor makes or pays such deductions or withholdings from payments it makes to the Holder, the Maker and the Guarantors shall, as a separate obligation, pay to the Holder such amounts as are necessary to indemnify the Holder from any losses arising from such taxes, deductions or withholdings.

(b) The Maker and the Guarantors will reimburse the Holder on demand for any reasonable costs incurred by the Holder in performing its obligations under this Note or under any other Loan Document resulting from any change in law, regulation, treaty or regulatory requirement (whether or not having the force of law) including, without limitation, any reserve or special deposit requirements, any tax or capital requirements or any change in the compliance of the Holder therewith that, in the determination of the Holder, has the effect of increasing the cost of funding to the Holder or reducing its effective rate of return on capital.

#### 4.14 Indemnities.

(a) The Maker and the Guarantors agree to indemnify and hold harmless the Holder and each of its affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its affiliates (each, an “Indemnified Party”) from and against, any and all claims, damages, losses, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnified Party), incurred by any Indemnified Party or asserted against any Indemnified Party by any person (including the Maker or the Guarantors) other than an Indemnified Party, arising out of, in connection with, or by reason of:

(i) the execution or delivery of this Note or any agreement or instrument contemplated by this Note (including, without limitation, any Loan Document), the performance by the parties thereto of their respective obligations under this Note or any other Loan Document or the consummation of the transactions contemplated by such documents;

(ii) any loan, extension of credit, or proposed use of the proceeds therefrom;

(iii) any actual or alleged presence or release of hazardous materials on or from any property currently or formerly owned or operated by the Maker, any Guarantor or any subsidiary thereof, or any environmental liability related to the Maker, any Guarantor or any subsidiary thereof in any way; or

(iv) any actual or prospective claim, investigation, litigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Maker or any Guarantor, and regardless of whether any Indemnified Party is a party thereto;

*provided, however*, that such indemnity shall not (x) apply to any income or gains of Holder with respect to payments by Maker with respect to this Note, Holder’s conversion of this Note or the sale of any shares obtained pursuant to this Note, or (y) be available to any Indemnified Party to the extent that such claims, damages, losses, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Party.

(b) In addition to any liability or obligation of the Maker or the Guarantors to the Holder under any other provision of this Note, the Maker and the Holder shall indemnify and hold the Holder harmless against any and all losses, claims, costs, damages or liabilities (including any expense or cost incurred in the liquidation and re-deployment of funds acquired to fund or maintain any portion of a loan or advance and reasonable out-of-pocket expenses and legal fees) incurred by the Holder as a result of or in connection with the Maker or the Guarantors’ failure to fulfil any of its obligations, including any cost or expense incurred by reason of the liquidation or re-employment in whole or in part of deposits or other funds required by the Holder to fund any bankers’ acceptance or letter of credit, or to fund or maintain any loan, as a result of the Maker’s or the Guarantors’ failure to complete a drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder. A certificate from the Holder setting forth the amount or amounts necessary to compensate it for any such loss, claim, cost, damage or liability, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Maker, shall be conclusive absent manifest error.

(c) Each of the Maker and the Guarantors agrees, to the fullest extent permitted by applicable law, not to assert, and hereby waives, any claim against any Indemnified Party, on any theory of liability, for special, indirect, consequential or punitive damages (including, without limitation, any loss of profits or anticipated savings), as opposed to actual or direct damages, resulting from this Note or any Loan Document or arising out of such Indemnified Party's activities in connection herewith or therewith.

#### 4.15 Survival.

(a) The termination of this Note shall not relieve the Maker or any Guarantor from their obligations to the Holder arising prior to such termination, such as obligations arising as a result of or in connection with any breach of this Note, any failure to comply with this Note or the inaccuracy of any representations and warranties made or deemed to have been made prior to such termination, and obligations arising pursuant to all indemnity obligations contained herein.

(b) The Maker's and the Guarantors' obligations to indemnify the Holder with respect to the expenses, damages, losses, costs, liabilities and other obligations in accordance with Section 4.14 herein shall survive until the later of (i) all applicable statute of limitations periods with respect to actions that may be brought against the Holder or any other indemnified party have run and (ii) three hundred sixty five (365) days following the entry of a final non-appealable order of a court of competent jurisdiction with respect to actions brought against the Holder or any other Indemnified Party that were initiated prior to the end of the applicable statute of limitations for such actions.

4.16 Severability. Each provision of this Note shall be severable from every other provision hereof for the purpose of determining the legal enforceability of any specific provision. This Note may be executed and delivered in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement.

[Signature Page Follows]



IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed by its duly authorized officer as of the date first above indicated.

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*[Signature page for Convertible Note]*

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## EXHIBIT A

### Definitions

(a) “Affiliate” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that “control” of a Person means the power directly or indirectly either to vote ten percent (10%) or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(b) “Change of Control” means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the shares of Common Stock in which holders of the Company’s voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, or (iii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries.

(c) “Collateral” means all present and after acquire property and any proceeds thereof that is subject, or intended to be subject, to the Liens created by any Loan Document.

(d) “Common Stock” means issued and outstanding shares in the capital of an entity.

(e) “Default” means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

(f) “Exchange Act” means the Securities and Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(g) “Exempt Issuance” means the issuance of (i) shares of Common Stock, restricted stock units or options issued to consultants, employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the board of directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (ii) the Common Stock issued upon conversion of the Notes, (iii) securities issued upon the exercise or exchange of or conversion of any securities issued prior to the execution of the Second Amendment, or (iv) securities issued in connection with any merger, acquisition or strategic transaction approved by a majority of the directors of the Company and the Holder.

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(h) “Fundamental Transaction” means (i) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (A) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, (B) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company or any of its “significant subsidiaries” (as defined in Rule 1-02 of Regulation S-X) to one or more Subject Entities, (C) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Common Stock be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least (x) 50% or more of the outstanding shares of Common Stock, (y) 50% or more of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding, or (z) such number of shares of Common Stock such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of 50% or more of the outstanding shares of Common Stock, (D) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire (x) 50% or more of the outstanding shares of Common Stock, (y) 50% or more of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such stock purchase agreement or other business combination were not outstanding, or (z) such number of shares of Common Stock such that the Subject Entities become collectively the beneficial owners (as defined in Rule 13d-3 under the Exchange Act) of 50% or more of the outstanding shares of Common Stock, (E) reorganize, recapitalize or reclassify its Common Stock, (F) allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding shares of Common Stock, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of (x) 50% or more of the aggregate ordinary voting power represented by issued and outstanding Common Stock, (y) 50% or more of the aggregate ordinary voting power represented by issued and outstanding Common Stock not held by all such Subject Entities as of the date of this Note calculated as if any shares of Common Stock held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding shares of Common Stock or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their shares of Common Stock without approval of the shareholders of the Company, or (G) issue or enter into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition, in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(i) “Group” means a “group” as that term is used in Section 13(d) of the Exchange Act and as defined in Rule 13d-5 thereunder.

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(j) “Guarantors” means Demio Holding, Inc., a Delaware corporation, and Banzai Operating Co LLC, a Delaware corporation, as guarantors under the Loan Documents.

(k) “Loan Documents” has the meaning assigned to such term in the Loan Agreement. “Loan Document” means any one of them.

(l) “Material Adverse Effect” has the meaning assigned to such term in the Loan Agreement.

(m) “Principal Market” means any of the OTCQX Best Market, OTCQB Venture Market, New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Select Market, or the Nasdaq Global Market, or any successors of any of these trading platforms or exchanges on which the Common Stock is listed or quoted for trading, as applicable.

(n) “Required Minimum” means a number of shares of Common Stock equal to 150% of the number of Conversion Shares issuable upon conversion of the Notes as of the Original Issuance Date.

(o) “SEC” means the United States Securities and Exchange Commission or the successor thereto.

(p) “Securities Act” means the Securities Act of 1933, as amended.

(q) “Standard Settlement Period” means one (1) Trading Day.

(r) “Subject Entity” means any Person, Persons or Group or any Affiliate or associate of any such Person, Persons or Group.

(s) “Subsidiary” has the meaning ascribed thereto in the Loan Agreement.

(t) “Trading Day” means a day on which the Common Stock are traded on a Principal Market for at least 4.5 hours.

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**EXHIBIT B**

**FORM OF CONVERSION NOTICE**

(To be Executed by a Holder in order to Convert the Note)

The undersigned hereby irrevocably elects to convert \$ \_\_\_\_\_ of the principal amount of the above Note No. \_\_\_\_ into shares of Common Stock of Banzai International, Inc. (the "Maker") according to the conditions hereof, as of the date written below.

Date of Conversion:

Conversion Amount:

Conversion Price:

Number of shares of Common Stock beneficially owned or deemed beneficially owned by the Holder on the Conversion Date:

Number of shares of Common Stock to be issued:

[HOLDER]

By: \_\_\_\_\_  
Name:  
Title:  
Address:

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October 15, 2024

**Banzai International, Inc.**  
**435 Ericksen Ave, Suite 250**  
**Bainbridge Island, Washington 98110**

Ladies and Gentlemen:

We have acted as United States securities counsel to Banzai International, Inc., a Delaware company (the “**Company**”), in connection with the filing of a registration statement on Form S-1, filed on October 15, 2024 (the “**Registration Statement**”), under the Securities Act of 1933, as amended (the “**Securities Act**”). The Registration Statement relates to the resale, from time to time, by the selling security holders listed therein of up to 1,479,372 shares (the “**Shares**”) of Class A Common Stock, par value \$0.0001 per share (the “**Class A Common Stock**”).

In rendering the opinions set forth below, we have assumed that (i) all information contained in all documents reviewed by us is true and correct; (ii) all signatures on all documents examined by us are genuine; (iii) all documents submitted to us as originals are authentic and all documents submitted to us as copies conform to the authentic originals of such documents; (iv) each natural person signing any document reviewed by us had the legal capacity to do so; and (v) the certificates representing the Shares will be duly executed and delivered.

We have also assumed that (i) the Company has been duly incorporated, and is validly existing and in good standing; (ii) the Company has requisite legal status and legal capacity under the laws of the jurisdiction of its incorporation, (iii) the Company has complied and will comply with all aspects of the laws of the jurisdiction of its incorporation, in connection with the transactions contemplated by, and the performance of its obligations under the agreements pursuant to which the Shares were issued; (iv) the Company has the corporate power and authority to execute, deliver and perform all its obligations under the Shares; and (v) the Shares have been duly authorized by all requisite corporate action on the part of the Company.

In connection with this matter, we have examined the Registration Statement, including the exhibits thereto, and such other documents, corporate records, and instruments and have examined such laws and regulations as we have deemed necessary for purposes of rendering the opinions set forth herein.

We are members of the Bar of the State of New York. We do not hold ourselves out as being conversant with, or expressing any opinion with respect to, the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of New York. Accordingly, the opinions expressed herein are expressly limited to the federal laws of the United States of America and the laws of the State of New York.

Based upon and subject to the foregoing, we are of the opinion that when the Registration Statement becomes effective under the Act and when the Shares are duly executed and authenticated, they will be legally issued, fully paid and non-assessable.

Our opinions set forth above with respect to the validity or binding effect of any security or obligation may be limited by (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, marshaling, moratorium or other similar laws affecting the enforcement generally of the rights and remedies of creditors and secured parties or the obligations of debtors, (ii) general principles of equity (whether considered in a proceeding in equity or at law), including, but not limited to, principles limiting the availability of specific performance or injunctive relief, and concepts of materiality, reasonableness, good faith and fair dealing, (iii) the possible unenforceability under certain circumstances of provisions providing for indemnification, contribution, exculpation, release or waiver that may be contrary to public policy or violative of federal or state securities laws, rules or regulations, and (iv) the effect of course of dealing, course of performance, oral agreements or the like that would modify the terms of an agreement or the respective rights or obligations of the parties under an agreement.

This opinion letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion letter if any applicable laws change after the date of this opinion letter or if we become aware after the date of this opinion letter of any facts, whether existing before or arising after the date hereof, that might change the opinions expressed above.

This opinion letter is furnished in connection with the Registration Statement and may not be relied upon for any other purpose without our prior written consent in each instance. Further, no portion of this letter may be quoted, circulated or referred to in any other document for any other purpose without our prior written consent.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name as it appears under the caption “Legal Matters” in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

  
HUNTER TAUBMAN FISCHER & LI LLC

**SECURITIES PURCHASE AGREEMENT**

This Securities Purchase Agreement (this "Agreement") is dated as of September 23, 2024, between Banzai International, Inc., a Delaware corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively the "Purchasers").

WHEREAS, prior to the date hereof, the Company agreed to issue shares of the Company's Common Stock (as defined below) to CP BF Lending, LLC, a Delaware limited liability company ("CP BF"), pursuant to a separate agreement between the Company and CP BF entered into on or around September 5, 2024 (such agreement, the "Prior Agreement" and such issuance, the "Prior Issuance"), and to enter into one or more definitive agreements with respect to such issuance on a later date;

WHEREAS, this Agreement is intended, among other things, to be a definitive agreement with respect to the shares of the Company's Common Stock issued to CP BF in the Prior Issuance; and

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

**ARTICLE I.  
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.5.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

"Auditor" means Marcum LLP.

"BHCA" shall have the meaning ascribed to such term in Section 3.1(mm).

"Board of Directors" means the board of directors of the Company.

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“Business Day” means any day other than Saturday, Sunday, or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

“Class B Common Stock” shall have the meaning ascribed to such term in Section 3.1(g).

“Closing” means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

“Closing Date” means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers’ obligations to pay the Subscription Amount at the Closing and (ii) the Company’s obligations to deliver the Securities, in each case, at the Closing have been satisfied or waived, but in no event later than the first (1<sup>st</sup>) Trading Day following the date hereof.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means Class A common stock of the Company, par value \$0.0001 per share.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock or Class B Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock or Class B Common Stock.

“Common Warrants” means, collectively, the Common Stock purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, which Common Warrants shall be exercisable immediately upon issuance and have a term of exercise equal to five (5) years from the initial exercise date, in substantially the form of Exhibit A attached hereto.

“Company Counsel” means Hunter Taubman Fischer & Li LLC with offices located at 950 Third Avenue, 19th Floor, New York, NY 10022.

“Disclosure Schedules” means the Disclosure Schedules of the Company delivered concurrently herewith.

“Equitization Agreements” means, collectively, (a) the Amended & Restated Repayment Agreement by and between the Company and J.V.B. Financial Group, LLC acting through Cohen & Company Capital Markets Division, dated September 9, 2024, (b) the Repayment Agreement by and between the Company and Verista Partners, Inc., aka Winterberry Group, dated August 26, 2024, and (c) the Repayment Agreement by and between the Company and Perkins Coie LLP, dated September 9, 2024.

“Environmental Laws” shall have the meaning ascribed to such term in Section 3.1(m).

“Evaluation Date” shall have the meaning ascribed to such term in Section 3.1(s).



“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exempt Issuance” means the issuance of (a) shares of Common Stock, restricted stock units, options or other equity awards to employees, consultants, contractors, advisors, officers, or directors of the Company pursuant to any stock or option plan in existence as of the date hereof; *provided*, that such issuances to consultants, contractors or advisors that are not registered on the Company’s registration statement on Form S-8 are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights, (b) shares of Common Stock upon the exercise or exchange of or conversion of any Securities issued hereunder or securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement; *provided*, that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company; *provided*, that such securities are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.10(a) herein; *provided, further*, that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended.

“Federal Reserve” shall have the meaning ascribed to such term in Section 3.1(mm).

“FINRA” shall have the meaning ascribed to such term in Section 3.1(e).

“GAAP” means generally accepted accounting principles in the United States, applied on a consistent basis during the periods involved.

“Hazardous Materials” shall have the meaning ascribed to such term in Section 3.1(m).

“Indebtedness” shall have the meaning ascribed to such term in Section 3.1(aa).

“Intellectual Property Rights” shall have the meaning ascribed to such term in Section 3.1(p).

“IT Systems and Data” shall have the meaning ascribed to such term in Section 3.1(jj).

“Liens” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Lock-Up Agreement” means that certain Lock-Up Agreement, dated as of the date hereof, by and between the Company and Joseph Davy, an individual, in substantially the form of Exhibit C attached hereto.

“Material Adverse Effect” shall have the meaning assigned to such term in Section 3.1(b).

“Material Permits” shall have the meaning ascribed to such term in Section 3.1(n).

“OFAC” shall have the meaning ascribed to such term in Section 3.1(kk).

“Per Share Purchase Price” equals \$3.89, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of shares of Common Stock that occur between the date hereof and the Closing Date.

“Per Pre-Funded Warrant Purchase Price” equals \$0.0001, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions relating to shares of Common Stock that occur between the date hereof and the Closing Date.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Pre-Funded Warrant Shares” means the shares of Common Stock issuable upon exercise of the Pre-Funded Warrants.

“Pre-Funded Warrants” means, collectively, the warrants delivered to the Purchasers at Closing in accordance with Section 2.2(a) hereof, which Pre-Funded Warrants shall be exercisable immediately upon issuance and shall expire in accordance with the terms thereof, in substantially the form of Exhibit B attached hereto.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition).

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.8.

“Registration Rights Agreement” means the registration rights agreement by and among with Company and the Purchasers dated the date of this Agreement, in the form attached as Exhibit D.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Resale Registration Statement” means any registration statement on Form S-1 or S-3, as applicable, as contemplated in the Registration Rights Agreement.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall have the meaning ascribed to such term in Section 3.1(h).

“Securities” means the Shares, the Warrants and the Warrant Shares.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“SEPA” means that Standby Equity Purchase Agreement, dated December 14, 2023, by and between the Company and YA II PN, Ltd., as supplemented by that Supplemental Agreement, dated February 5, 2024, by and between the Company and YA II PN, Ltd.

“Shares” means the shares of Common Stock issued or issuable to each Purchaser pursuant to this Agreement and/or the Prior Agreement but, for the avoidance of doubt, does not include the Warrant Shares.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

“Subscription Amount” means, as to each Purchaser, the aggregate amount to be paid for Shares and Warrants purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Subsidiary” means any subsidiary of the Company as set forth in the SEC Reports.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the shares of Common Stock are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement, the Warrants, the Lock-Up Agreement, the Resale Registration Statement and all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“Transfer Agent” means Continental Stock Transfer & Trust Company, the current transfer agent of the Company, with a mailing address at 1 State St 30th floor, New York, NY 10004, and an email address of [administration@continentalstock.com](mailto:administration@continentalstock.com), and any successor transfer agent of the Company.

“Variable Rate Transaction” shall have the meaning ascribed to such term in Section 4.10(b).

“Warrants” means the Common Warrants and the Pre-Funded Warrants.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Warrants.

“Yorkville Promissory Notes” means collectively, (a) that certain Convertible Promissory Note dated December 14, 2023 in favor of YA II PN, LTD or its registered assigns, (b) that certain Convertible Promissory Note dated February 5, 2024 in favor of YA II PN, LTD. or its registered assigns, and (c) that certain Convertible Promissory Note dated March 26, 2024 in favor of YA II PN, LTD. or its registered assigns.

## ARTICLE II. PURCHASE AND SALE

### 2.1 Closing.

- (a) On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, (i) the number of shares of Common Stock set forth under the heading “Shares of Common Stock” on the Purchaser’s signature page hereto, at the Per Share Purchase Price, (ii) the number of Pre-Funded Warrant Shares set forth under the heading “Shares of Common Stock underlying the Pre-Funded Warrants” on the Purchaser’s signature page hereto, at the Per Share Purchase Price and (iii) Common Warrants exercisable for shares of Common Stock as calculated pursuant to Section 2.2(a). For the avoidance of doubt, the shares of Common Stock issued in the Prior Issuance will not be counted for purposes of clause (i) of this Section 2.1(a), and the parties acknowledge and agree that sufficient consideration for such shares has already been provided by Purchaser and no purchase price will be payable for such shares pursuant to this Agreement.
- (b) To the extent that a Purchaser determines, in its sole discretion, that such Purchaser (together with such Purchaser’s Affiliates, and any Person acting as a group together with such Purchaser or any of such Purchaser’s Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation, or as such Purchaser may otherwise choose, in lieu of purchasing shares of Common Stock, such Purchaser may elect to purchase Pre-Funded Warrants in lieu of shares of Common Stock in such manner to result in the full Subscription Amount being paid by such Purchaser to the Company. The “Beneficial Ownership Limitation” shall be 4.99% (or, at the election of the Purchaser prior to the issuance of any Shares, 9.99% or 19.99%) of the number of shares of Common Stock, in each case, outstanding immediately after giving effect to the issuance of the Securities on the Closing Date.

- (c) On the Closing Date, upon the terms and subject to the conditions set forth herein each Purchaser shall pay to the Company via wire transfer of immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser and the Company or its designees. The Company shall deliver to each Purchaser its respective Shares and Warrants as determined pursuant to Section 2.2(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of the Company or such other location as the parties shall mutually agree.
- (d) Notwithstanding anything herein to the contrary, if at any time on or after the time of execution of this Agreement by the Company and an applicable Purchaser through the Closing (the "Pre-Settlement Period"), such Purchaser sells to any Person all, or any portion, of any Shares to be issued hereunder to such Purchaser at the Closing (collectively, the "Pre-Settlement Shares"), such Person shall, automatically hereunder (without any additional required actions by such Purchaser or the Company), be deemed to be a Purchaser under this Agreement unconditionally bound to purchase, and the Company shall be deemed unconditionally bound to sell, such Pre-Settlement Shares to such Person at the Closing; *provided*, that the Company shall not be required to deliver any Pre-Settlement Shares to such Purchaser prior to the Company's receipt of the Subscription Amount for such Pre-Settlement Shares hereunder; *provided, further*, that the Company hereby acknowledges and agrees that the forgoing shall not constitute a representation or covenant by such Purchaser as to whether or not such Purchaser will elect to sell any Pre-Settlement Shares during the Pre-Settlement Period. The decision to sell any Shares will be made in the sole discretion of such Purchaser from time to time, including during the Pre-Settlement Period.
- (e) Notwithstanding the foregoing, with respect to any Notice(s) of Exercise (as defined in the Warrants) delivered on or prior to 12:00 p.m. (New York City time) on the Closing Date, which may be delivered at any time after the time of execution of this Agreement, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Closing Date, and the Closing Date shall be the Warrant Share Delivery Date (as defined in the Warrants) for such Warrants for all purposes hereunder.

## 2.2 Deliveries.

- (a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:
  - (i) this Agreement duly executed by the Company;
  - (ii) the Registration Rights Agreement duly executed by the Company;

- (iii) the Company's wire instructions, on Company letterhead and executed by the Company's Chief Executive Officer or Chief Financial Officer;
  - (iv) subject to the final sentence of Section 2.1(c), a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver on an expedited basis via The Depository Trust Company Deposit or Withdrawal at Custodian system shares of Common Stock equal to the portion of such Purchaser's Subscription Amount divided by the Per Share Purchase Price, registered in the name of such Purchaser;
  - (v) for each Purchaser of Pre-Funded Warrants pursuant to Section 2.1, a Pre-Funded Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to the portion of such Purchaser's Subscription Amount applicable to Pre-Funded Warrants divided by the sum of the Per Pre-Funded Warrant Purchase Price plus the exercise price per Warrant Share underlying such Pre-Funded Warrants, subject to adjustment as set forth therein;
  - (vi) a Common Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to 100% of (A) such Purchaser's Shares, plus (B) the number of Pre-Funded Warrant Shares subject to such Purchaser's Pre-Funded Warrants, if any, with an exercise price equal to \$0.0001 per share, subject to adjustment as set forth therein;
  - (vii) the duly executed Lock-Up Agreement;
  - (viii) a certificate executed by the Chief Executive Officer and Chief Financial Officer of the Company, dated as of the date of the Closing Date, in form and substance reasonably acceptable to the Purchasers;
  - (ix) a certificate executed by the Secretary of the Company, dated as of the date of Closing, in form and substance reasonable acceptable to the Purchasers; and
  - (x) a legal opinion of Company Counsel, in form reasonably acceptable to the Purchasers.
- (b) On or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, the following:
- (i) this Agreement duly executed by such Purchaser;
  - (ii) the Registration Rights Agreement duly executed by such Purchaser; and
  - (iii) such Purchaser's Subscription Amount with respect to the Securities purchased by such Purchaser.

### 2.3 Closing Conditions.

- (a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:
- (i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be so accurate as of such date);
  - (ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed; and
  - (iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement.
- (b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:
- (i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be so accurate as of such date);
  - (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;
  - (iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;
  - (iv) there shall have been no Material Adverse Effect with respect to the Company; and
  - (v) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or any Trading Market, and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

**ARTICLE III.  
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation made herein to the extent of the disclosures contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

- (a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary, free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.
  
- (b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing, and, if applicable under the laws of the jurisdiction in which they are formed, in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective memorandum of association, articles of association, certificate or articles of incorporation, bylaws, operating agreement, or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.



- (c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors, a committee of the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.
- (d) No Conflicts. Except as set forth in Schedule 3.1(d), the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's memorandum of association, articles of association, certificate or articles of incorporation, bylaws, operating agreement, or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except, in the case of each of clauses (ii) and (iii), as could not have or reasonably be expected to result in a Material Adverse Effect.
- (e) Filings, Consents and Approvals. Except as set forth in Schedule 3.1(e), the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement; (ii) notices and/or application(s) to and approvals by each applicable Trading Market for the listing of the applicable Securities for trading thereon in the time and manner required thereby; (iii) such filings as are required to be made under applicable state securities laws; and (iv) filings required by the Financial Industry Regulatory Authority ("FINRA") (collectively, the "Required Approvals").

- (f) Issuance of the Securities; Registration. The Shares and Warrant Shares are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company. The Warrants are duly authorized and, when issued in accordance with this Agreement, will be duly and validly issued, fully paid and non-assessable, and free and clear of all Liens imposed by the Company. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and the Warrants.
- (g) Capitalization. The capitalization of the Company as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. Except as set forth on Schedule 3.1(g), the Company has not issued any shares of capital stock since its most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(g), there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, Class B common stock, par value \$0.0001 per share, of the Company (the "Class B Common Stock"), or capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock, Class B Common Stock, Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue shares of Common Stock, Class B Common Stock, or other securities to any Person (other than the Purchasers). Except as set forth on Schedule 3.1(g), there are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any share appreciation rights or "phantom share" plans or agreements or any similar plan or agreement. All of the outstanding shares of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance with all federal and state securities laws where applicable, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except for the Required Approvals, no further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's share capital to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

- (h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two (2) years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such materials) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “SEC Reports”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any further documents so filed and incorporated by reference to any SEC Report, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the applicable rules and regulations, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

- (i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and strategic acquisitions and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any of its shares of capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company share option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.
- (j) Litigation. Except as set forth on Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action"). None of the Actions set forth on Schedule 3.1(j): (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents, the Shares or the Warrant Shares; or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Except as set forth on Schedule 3.1(j), neither the Company nor any Subsidiary, nor any of their respective officers or directors, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been and there is not pending or, to the knowledge of the Company, contemplated any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

- (k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
- (l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case of (i), (ii) and (iii) as could not have or reasonably be expected to result in a Material Adverse Effect.
- (m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all applicable federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

- (n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such certificates, authorizations or permits could not reasonably be expected to result in a Material Adverse Effect (“Material Permits”), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.
- (o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.
- (p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and which the failure to so have could have a Material Adverse Effect (collectively, the “Intellectual Property Rights”). Neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has no knowledge of any facts that would preclude it from having valid license rights or clear title to the Intellectual Property Rights. The Company has no knowledge that it lacks or will be unable to obtain any rights or licenses to use all Intellectual Property Rights that are necessary to conduct its business.

- (q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.
- (r) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of \$120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company or a Subsidiary and (iii) other employee benefits, including equity awards under any equity incentive plan of the Company.
- (s) Sarbanes-Oxley; Internal Accounting Controls. Except as set forth on Schedule 3.1(s), the Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. Except as set forth on Schedule 3.1(s), the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as set forth on Schedule 3.1(s), the Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed Form 10-K under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed Form 10-K under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Except as set forth on Schedule 3.1(s), since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

- (t) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents (for the avoidance of doubt, the foregoing shall not include any fees and/or commissions owed to the Transfer Agent). Other than for Persons engaged by any Purchaser, if any, the Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.
- (u) Investment Company. The Company is not, and immediately after receipt of payment for the Securities, will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an Affiliate of any "investment company." The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.
- (v) Registration Rights. Except for Purchasers or as otherwise set forth on Schedule 3.1(v), no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.
- (w) Listing and Maintenance Requirements. The shares of Common Stock are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. Except as set forth on Schedule 3.1(w), the Company has not, in the twelve (12) months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Common Stock is currently eligible for electronic transfer through The Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to The Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.



- (x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchasers' ownership of the Securities.
- (y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information which is not otherwise disclosed in the SEC Reports. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve (12) months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.
- (z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of any applicable stockholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

- (aa) Solvency. Except as described in the SEC Reports, based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. Except as described in the SEC Reports, the Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). Except as described in the SEC Reports, the Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(aa) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed by the Company or any Subsidiary in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others to third parties, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of \$50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.
- (bb) Tax Compliance. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, or as set forth on Schedule 3.1(bb), the Company and its Subsidiaries each (i) has made or filed all federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges, fines or penalties that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its financial statements provision reasonably adequate for the payment of all material tax liability the amount of which has not been finally determined and all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

- (cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA.
- (dd) Accountants. The Company's independent registered public accounting firm is as set forth in the SEC Reports. To the knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ended December 31, 2024.
- (ee) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.
- (ff) Acknowledgment Regarding Purchasers' Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Shares for any specified term; (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, presently may have a "short" position in the Common Stock; and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Shares are outstanding with respect to Shares are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

- (gg) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the shares of Common Stock, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the shares of Common Stock, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the shares of Common Stock.
- (hh) Promotional Stock Activities. Neither the Company nor any Subsidiary, and none of their respective officers, directors, managers, Affiliates or agents have engaged in any stock promotional activity that would constitute (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) a violation of the anti-touting provisions of the federal securities laws, (iii) improper "gun-jumping, or (iv) promotion without proper disclosure of compensation.
- (ii) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.
- (jj) Cybersecurity. (i)(x) To the knowledge of the Company, there has been no security breach or other compromise of or relating to any of the Company's or any Subsidiary's information technology and computer systems, networks, hardware, software, data (including the data of its respective customers, employees, suppliers, vendors and any third party data maintained by or on behalf of it), equipment or technology (collectively, "IT Systems and Data") and (y) the Company and the Subsidiaries have not been notified of, any security breach or other compromise to its IT Systems and Data; (ii) the Company and the Subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, individually or in the aggregate, have a Material Adverse Effect; (iii) the Company and the Subsidiaries have implemented and maintained commercially reasonable safeguards to maintain and protect its material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and Data; and (iv) the Company and the Subsidiaries have implemented backup and disaster recovery technology consistent with commercially reasonable industry standards and practices.

- (kk) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").
- (ll) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.
- (mm) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.
- (nn) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.
- (oo) Promotional Stock Activities. Neither the Company nor any Subsidiary of the Company and none of their respective officers, directors, managers, affiliates or agents have engaged in any stock promotional activity that would constitute (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper "gun-jumping; or (iv) promotion without proper disclosure of compensation.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

- (a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.
- (b) Understandings or Arrangements. Such Purchaser is acquiring the Securities as principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Resale Registration Statement or otherwise in compliance with applicable federal and state securities laws).
- (c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants, it will be either (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(9), (a)(12) or (a)(13) under the Securities Act, or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.
- (d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

- (e) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.
- (f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms, which terms include definitive pricing terms, of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to such Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.
- (g) No Voting Agreements. The Purchaser is not a party to any agreement or arrangement, whether written or oral, between the Purchaser and any other Purchaser and any of the Company's stockholders as of the date hereof, regulating the management of the Company, the stockholders' rights in the Company, the transfer of shares in the Company, including any voting agreements, stockholder agreements or any other similar agreement even if its title is different or has any other relations or agreements with any of the Company's stockholders, directors or officers.

- (h) Brokers. Except as set forth on Schedule 3.2(h), no agent, broker, investment banker, person or firm acting in a similar capacity on behalf of or under the authority of the Purchaser is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, for which the Company or any of its Affiliates after the Closing could have any liabilities in connection with this Agreement, any of the transactions contemplated by this Agreement, or on account of any action taken by the Purchaser in connection with the transactions contemplated by this Agreement.
- (i) Independent Advice. Each Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Purchaser in connection with the purchase of the Securities constitutes legal, tax or investment advice.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, except as set forth in this Agreement, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

#### **ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES**

##### 4.1 Removal of Legends.

- (a) The Shares, Warrants and Warrant Shares may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Shares, Warrants or Warrant Shares other than pursuant to an effective Resale Registration Statement or Rule 144, to the Company or to an Affiliate of the applicable Purchaser, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Shares, Warrants or Warrant Shares under the Securities Act.
- (b) Each Purchaser agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Shares, Warrants or Warrant Shares in the following form:

NEITHER THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE] HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.



- (c) Certificates evidencing the Shares or the Warrant Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) following any sale of such Shares or Warrant Shares pursuant to Rule 144, when available, or (ii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall at its expense cause its counsel to issue a legal opinion to the Transfer Agent to effect the removal of the legend hereunder, subject to compliance with the Securities Act and/or Rule 144, when available. For the avoidance of doubt the Company shall pay all costs associated with such opinions. If all or any portion of a Warrant is exercised at a time when there is an effective Resale Registration Statement to cover the resale of the Shares or the Warrant Shares, or if such Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information requirements of Rule 144(c) and without volume or manner of sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including Sections 4(a)(1) or 4(a)(7), judicial interpretations and pronouncements issued by the staff of the SEC, including what is known as Section 4(a)(1½)) then such Warrant Shares shall be issued free of all legends. For avoidance of doubt, the Company agrees that after the requisite holding period to comply with Rule 144, the legend may be removed under Rule 144 of the Securities Act, assuming the holder satisfies the requirements of Rule 144. Certificates for Shares or Warrant Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to such Purchaser by crediting the account of such Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser.
- (d) In the event any Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares and such request is not in violation of United States securities laws, such Purchaser shall pay all fees and expenses associated with or required by the legend removal and/or transfer, including legal fees, transfer agent fees and overnight delivery charges and taxes, if any, imposed by any applicable government upon the issuance of Common Stock.

4.2 Registration; Furnishing of Information. Until the earliest of (a) the time that no Purchaser owns any Securities and (b) the expiration of all of the Common Warrants, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act (even if the Company is not then subject to the reporting requirements of the Exchange Act).

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall, within the time required by applicable laws following the date of execution of this Agreement, issue a press release announcing the entry into this Agreement. The Company shall, within the time required by applicable laws following the date of execution of this Agreement, file a Current Report on Form 8-K with the Commission, disclosing the material terms of this Agreement, including the forms of Transaction Documents as exhibits thereto. From and after the filing of the Form 8-K as provided in the preceding sentence, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries or Affiliates, or any of their respective officers, directors, employees or agents, in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates, on the one hand, and any of the Purchasers or any of their Affiliates on the other hand, shall terminate and be of no further force or effect; *provided*, that no such termination will affect the right of the Company to sue for any breach of such obligations by any party (or parties) prior to termination. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission, and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b) and reasonably cooperate with such Purchaser regarding such disclosure.

4.5 Stockholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an “Acquiring Person” under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.6 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.4, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that constitutes material non-public information, unless prior thereto such Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates delivers any material, non-public information to a Purchaser without such Purchaser’s consent, the Company hereby covenants and agrees that such Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Company, and of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information; *provided*, that the Purchaser shall remain subject to applicable law. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.7 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for repayment of certain outstanding convertible notes, working capital purposes and general corporate purposes, including any pending or future acquisitions, and shall not use such proceeds: (a) for the satisfaction of any portion of the Company’s debt (other than as described above, payment of trade payables in the ordinary course of the Company’s business or repayment of obligations outstanding as of the date of this Agreement consistent with prior practices); (b) for the redemption of any shares of Common Stock, Class B Common Stock, or Common Stock Equivalents; (c) for the settlement of any outstanding litigation; or (d) in violation of FCPA or OFAC regulations or similar applicable regulations.

4.8 Indemnification of Purchasers. Subject to the provisions of this Section 4.8, the Company will indemnify and hold each Purchaser and its directors, officers, stockholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, stockholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against a Purchaser Party in any capacity (including a Purchaser Party's status as an investor), or any of them or their respective Affiliates, by the Company or any stockholder of the Company who is not an Affiliate of such Purchaser Party, arising out of or relating to any of the transactions contemplated by the Transaction Documents. For the avoidance of doubt, the indemnification provided herein is intended to, and shall also cover, direct claims brought by the Company against the Purchaser Parties; *provided*, that such indemnification shall not cover any loss, claim, damage or liability to the extent it is finally judicially determined to be attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in any Transaction Document or any conduct by such Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct. If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and, except with respect to direct claims brought by the Company, the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel to the applicable Purchaser Party (which may be internal counsel), a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed. In addition, if any Purchaser Party takes actions to collect amounts due under any Transaction Documents or to enforce any provisions of any Transaction Documents, then the Company shall pay the costs incurred by such Purchaser Party for such collection, enforcement or action, including, but not limited to, attorneys' fees and disbursements. The indemnification and other payment obligations required by this Section 4.8 shall be made by periodic payments of the amount thereof during the course of the investigation, defense, collection, enforcement or action, as and when bills are received or are incurred; *provided*, that if any Purchaser Party is finally judicially determined not to be entitled to indemnification or payment under this Section 4.8, such Purchaser Party shall promptly reimburse the Company for any payments that are advanced under this sentence. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.9 Listing of Common Stock. The Company hereby agrees to use reasonable best efforts to maintain the listing or quotation of the shares of Common Stock on each Trading Market on which each is currently listed, and concurrently with the Closing, the Company shall apply to list or quote all of the Shares and Warrant Shares on such Trading Markets and promptly secure the listing of all of the Shares and Warrant Shares on such Trading Markets. The Company further agrees that, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Shares and Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of the Common Stock on a Trading Market and will comply in all material respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to use reasonable efforts to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.10 Subsequent Equity Sales.

- (a) From the date hereof until forty five (45) days after the date on which the Resale Registration Statement is first filed with the Commission, without the prior written consent of the Purchasers, neither the Company nor any Subsidiary shall (i) issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock, Class B Common Stock, or Common Stock Equivalents, other than an Exempt Issuance, or (ii) file any registration statement or amendment or supplement thereto, other than: (A) the Resale Registration Statement; (B) a registration statement on Form S-8 in connection with any employee benefit plan; or (C) the issuance of shares of Common Stock pursuant to the Equitization Agreements; *provided*, that, for the avoidance of doubt, no resale registration statement may be filed with the Commission with respect to any securities issued pursuant to any of the Equitization Agreements until the date that is forty five (45) days after the date on which the Resale Registration Statement is first filed with the Commission.
  
- (b) From the date hereof until the date that is twelve (12) months after the Closing Date, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of shares of Common Stock, Class B Common Stock, or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive additional shares of Common Stock or Class B Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the Common Stock at any time after the initial issuance of such debt or equity securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for shares of Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit or an "at-the-market offering", whereby the Company may issue securities at a future determined price regardless of whether shares pursuant to such agreement have actually been issued and regardless of whether such agreement is subsequently canceled, in the case of each of (i) and (ii), other than pursuant to: (1) conversion transactions under the Yorkville Promissory Notes, which such conversion transactions may be effected on a date no earlier than ninety one (91) days after the Closing Date (the "YA Note Conversion"); or (2) sales of the Company's Common Stock under the SEPA at a price per share not less than 300% of the Per Share Purchase Price (the "Exempt SEPA Sales"). Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

- (c) Notwithstanding the foregoing, this Section 4.10 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance other than as specified in Sections 4.10(b)(ii)(1) and 4.10(b)(ii)(2).

4.11 Equal Treatment of Purchasers. No consideration (including any modification of the Transaction Documents) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of the shares of Common Stock or otherwise.

4.12 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.4, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (a) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4, (b) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4 and (c) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Company to the Company or its Subsidiaries after the issuance of the initial press release as described in Section 4.4. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.13 Exercise Procedures. The form of Notice of Exercise included in the Warrants set forth the totality of the procedures required of the Purchasers in order to exercise the Warrants. No additional legal opinion, other information or instructions shall be required of the Purchasers to exercise their Warrants. Without limiting the preceding sentences, unless required by the Company's Transfer Agent, no ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required in order to exercise the Warrants. The Company shall honor exercises of the Warrants and shall deliver Warrant Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.14 Reservations of Shares. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue shares of Common Stock pursuant to this Agreement and Warrant Shares pursuant to any exercise of the Warrants.

4.15 Lock-Up Agreement. The Company shall not amend, modify, waive or terminate any provision of the Lock-Up Agreement, except to extend the term of the lock-up period, and shall enforce the provisions of the Lock-Up Agreement in accordance with its terms. If any party to the Lock-Up Agreement breaches any provision of the Lock-Up Agreement, the Company shall promptly use its best efforts to seek specific performance of the terms of the Lock-Up Agreement.

4.16 Subsequent Registrations. If as result of a Commission Staff policy, rule or regulation the Company is unable to register all of any Purchaser's Securities, then not later than thirty (30) days (or such later time as is required by the Staff of the Commission or any rule of the Commission) after any Resale Registration Statement filed pursuant to the Registration Rights Agreement is declared effective by the Commission, the Company shall file another Resale Registration Statement including all or a portion of such Purchaser's Securities and comply with the terms and conditions set forth in the Registration Rights Agreement. This covenant shall remain in effect, and the Company shall continue to file subsequent Resale Registration Statements and comply with the terms and conditions set forth in the Registration Rights Agreement in connection with each such filing until all of each Purchaser's Securities shall have been registered.

## **ARTICLE V. MISCELLANEOUS**

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the Closing has not been consummated on or before the fifth (5th) Trading Day following the date hereof; *provided*, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers who purchased at least 50.1% in interest of the sum of (a) the Shares and (b) the Pre-Funded Warrant Shares initially issuable upon exercise of the Pre-Funded Warrants based on the initial Subscription Amounts hereunder (or, prior to the Closing, the Company and each Purchaser), or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; *provided*, that, if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or multiple Purchasers), the consent of such disproportionately impacted Purchaser (or 50.1% in interest of such Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and holder of Securities and the Company.



5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities; *provided*, that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the Purchasers.

5.8 Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, stockholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Action or Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence any Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.8, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities for the applicable statute of limitations.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; *provided*, that, in the case of a rescission of an exercise of a Warrant, the applicable Purchaser shall be required to return any shares of Common Stock subject to any such rescinded exercise notice concurrently with the return to such Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of such Purchaser’s right to acquire such shares pursuant to such Purchaser’s Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.19 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions relating to shares of Common Stock that occur after the date of this Agreement.

**5.21 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

*(Signature Pages Follow)*

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

BANZAI INTERNATIONAL, INC.

Address for Notice:

435 Ericksen Ave,  
Suite 250  
Bainbridge, WA 98110

By: \_\_\_\_\_

Name: Joseph Davy

Title: Chairman and Chief Executive Officer

Email: joe@banzai.io

With a copy to (which shall not constitute notice):

Hunter Taubman Fischer & Li LLC  
950 Third Avenue, 19th Floor  
New York, New York 10022

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CP BF LENDING, LLC**

By: CP Business Finance GP, LLC,  
its manager

By: Columbia Pacific Advisors, LLC,  
its manager

By: \_\_\_\_\_  
Name: Brad Shain  
Title: President

Address for Notice to Purchaser:

CP BF Lending, LLC  
c/o Columbia Pacific Advisors  
1910 Fairview Avenue, Suite 200  
Seattle, WA 98102  
Attention: Trent Stedman  
Email: [trents@columbiapacific.com](mailto:trents@columbiapacific.com); [hoain@columbiapacific.com](mailto:hoain@columbiapacific.com)

with a copy (which shall not itself constitute notice) to:

Benesch, Friedlander, Coplan & Aronoff LLP  
1313 N Market St., Suite 1201  
Wilmington, Delaware 19801  
Attn: Michael Barrie  
Email: [mbarrie@Beneschlaw.com](mailto:mbarrie@Beneschlaw.com)

*[Share information follows]*

**CP BF LENDING, LLC - continued**

DWAC for Common Stock:

Subscription Amount: \$ 2,200,000.00

Shares of Common Stock: 260,849

Shares of Common Stock underlying the Pre-Funded Warrants: 304,704

Beneficial Ownership Blocker  4.99% or  9.99% or  19.99%

Warrant Shares underlying the Common Warrants: 565,553

Beneficial Ownership Blocker  4.99% or  9.99% or  19.99%

EIN Number: 84-2167625

Notwithstanding anything contained in this Agreement to the contrary, by checking this box (i) the obligations of the above-signed to purchase the securities set forth in this Agreement to be purchased from the Company by the above-signed, and the obligations of the Company to sell such securities to the above-signed, shall be unconditional and all conditions to Closing shall be disregarded, (ii) the Closing shall occur on the first (1<sup>st</sup>) Trading Day following the date of this Agreement and (iii) any condition to Closing contemplated by this Agreement (but prior to being disregarded by clause (i) above) that required delivery by the Company or the above-signed of any agreement, instrument, certificate or the like or purchase price (as applicable) shall no longer be a condition and shall instead be an unconditional obligation of the Company or the above-signed (as applicable) to deliver such agreement, instrument, certificate or the like or purchase price (as applicable) to such other party on the Closing Date.

**Exhibit A**

**Form of Common Warrant**

(See Attached)

**Exhibit B**

**Form of Pre-Funded Warrant**

(See Attached)

B-1

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**Exhibit C**

**Form of Lock-Up Agreement**

(See Attached)

**Exhibit D**

**Form of Registration Rights Agreement**

(See Attached)

D-1

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**SECURITIES PURCHASE AGREEMENT**

This Securities Purchase Agreement (this "Agreement") is dated as of September 20, 2024, between Banzai International, Inc., a Delaware corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

**ARTICLE I.  
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.5.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

"Auditor" means Marcum LLP.

"BHCA" shall have the meaning ascribed to such term in Section 3.1(mm).

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than Saturday, Sunday, or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

"Class B Common Stock" shall have the meaning ascribed to such term in Section 3.1(g).

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount at the Closing and (ii) the Company's obligations to deliver the Securities, in each case, at the Closing have been satisfied or waived, but in no event later than the first (1<sup>st</sup>) Trading Day following the date hereof.

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“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means Class A common stock of the Company, par value \$0.0001 per share.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock or Class B Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock or Class B Common Stock.

“Common Warrants” means, collectively, the Common Stock purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, which Common Warrants shall be exercisable immediately upon issuance and have a term of exercise equal to five (5) years from the initial exercise date, in substantially the form of Exhibit A attached hereto.

“Company Counsel” means Hunter Taubman Fischer & Li LLC with offices located at 950 Third Avenue, 19th Floor, New York, NY 10022.

“Disclosure Schedules” means the Disclosure Schedules of the Company delivered concurrently herewith.

“Environmental Laws” shall have the meaning ascribed to such term in Section 3.1(m).

“Evaluation Date” shall have the meaning ascribed to such term in Section 3.1(s).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exempt Issuance” means the issuance of (a) shares of Common Stock, restricted stock units, options or other equity awards to employees, consultants, contractors, advisors, officers, or directors of the Company pursuant to any stock or option plan in existence as of the date hereof; *provided*, that such issuances to consultants, contractors or advisors that are not registered on the Company’s registration statement on Form S-8 are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights, (b) shares of Common Stock upon the exercise or exchange of or conversion of any Securities issued hereunder or securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement; *provided*, that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company; *provided*, that such securities are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.10(a) herein; *provided, further*, that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

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“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended.

“Federal Reserve” shall have the meaning ascribed to such term in Section 3.1(mm).

“FINRA” shall have the meaning ascribed to such term in Section 3.1(e).

“GAAP” means generally accepted accounting principles in the United States, applied on a consistent basis during the periods involved.

“Hazardous Materials” shall have the meaning ascribed to such term in Section 3.1(m).

“Indebtedness” shall have the meaning ascribed to such term in Section 3.1(aa).

“Intellectual Property Rights” shall have the meaning ascribed to such term in Section 3.1(p).

“IT Systems and Data” shall have the meaning ascribed to such term in Section 3.1(jj).

“Liens” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Lock-Up Agreement” means that certain Lock-Up Agreement, dated as of the date hereof, by and between the Company and Joseph Davy, an individual, in substantially the form of Exhibit C attached hereto.

“Material Adverse Effect” shall have the meaning assigned to such term in Section 3.1(b).

“Material Permits” shall have the meaning ascribed to such term in Section 3.1(n).

“OFAC” shall have the meaning ascribed to such term in Section 3.1(kk).

“Per Share Purchase Price” equals \$3.89, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of shares of Common Stock that occur between the date hereof and the Closing Date.

“Per Pre-Funded Warrant Purchase Price” equals \$0.0001, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions relating to shares of Common Stock that occur between the date hereof and the Closing Date.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

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“Pre-Funded Warrant Shares” means the shares of Common Stock issuable upon exercise of the Pre-Funded Warrants.

“Pre-Funded Warrants” means, collectively, the warrants delivered to the Purchasers at Closing in accordance with Section 2.2(a) hereof, which Pre-Funded Warrants shall be exercisable immediately upon issuance and shall expire in accordance with the terms thereof, in substantially the form of Exhibit B attached hereto.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition).

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.8.

“Registration Rights Agreement” means the registration rights agreement by and among with Company and the Purchasers dated the date of this Agreement, in the form attached as Exhibit D.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Resale Registration Statement” means any registration statement on Form S-1 or S-3, as applicable, as contemplated in the Registration Rights Agreement.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall have the meaning ascribed to such term in Section 3.1(h).

“Securities” means the Shares, the Warrants and the Warrant Shares.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“SEPA” means that Standby Equity Purchase Agreement, dated December 14, 2023, by and between the Company and YA II PN, Ltd., as supplemented by that Supplemental Agreement, dated February 5, 2024, by and between the Company and YA II PN, Ltd.

“Shares” means the shares of Common Stock issued or issuable to each Purchaser pursuant to this Agreement and/or the Prior Letter but, for the avoidance of doubt, does not include the Warrant Shares.

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“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

“Subscription Amount” means, as to each Purchaser, the aggregate amount to be paid for Shares and Warrants purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Subsidiary” means any subsidiary of the Company as set forth in the SEC Reports.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the shares of Common Stock are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement, the Warrants, the Lock-Up Agreement, the Resale Registration Statement and all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“Transfer Agent” means Continental Stock Transfer & Trust Company, the current transfer agent of the Company, with a mailing address at 1 State St 30th floor, New York, NY 10004, and an email address of [administration@continentalstock.com](mailto:administration@continentalstock.com), and any successor transfer agent of the Company.

“Variable Rate Transaction” shall have the meaning ascribed to such term in [Section 4.10\(b\)](#).

“Warrants” means the Common Warrants and the Pre-Funded Warrants.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Warrants.

“Yorkville Promissory Notes” means collectively, (a) that certain Convertible Promissory Note dated December 14, 2023 in favor of YA II PN, LTD or its registered assigns, (b) that certain Convertible Promissory Note dated February 5, 2024 in favor of YA II PN, LTD. or its registered assigns, and (c) that certain Convertible Promissory Note dated March 26, 2024 in favor of YA II PN, LTD. or its registered assigns.

## ARTICLE II. PURCHASE AND SALE

### 2.1 Closing.

- (a) On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, (i) the number of shares of Common Stock set forth under the heading “Shares of Common Stock” on the Purchaser’s signature page hereto, at the Per Share Purchase Price, (ii) the number of Pre-Funded Warrant Shares set forth under the heading “Shares of Common Stock underlying the Pre-Funded Warrants” on the Purchaser’s signature page hereto, at the Per Share Purchase Price and (iii) Common Warrants exercisable for shares of Common Stock as calculated pursuant to [Section 2.2\(a\)](#). For the avoidance of doubt, the shares of Common Stock issued in the September 10<sup>th</sup> Issuance will not be counted for purposes of clause (i) of this [Section 2.1\(a\)](#), and the parties acknowledge and agree that sufficient consideration for such shares has already been provided by Purchaser and no purchase price will be payable for such shares pursuant to this Agreement.
  - (b) To the extent that a Purchaser determines, in its sole discretion, that such Purchaser (together with such Purchaser’s Affiliates, and any Person acting as a group together with such Purchaser or any of such Purchaser’s Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation, or as such Purchaser may otherwise choose, in lieu of purchasing shares of Common Stock, such Purchaser may elect to purchase Pre-Funded Warrants in lieu of shares of Common Stock in such manner to result in the full Subscription Amount being paid by such Purchaser to the Company. The “Beneficial Ownership Limitation” shall be 4.99% (or, at the election of the Purchaser prior to the issuance of any Shares, 9.99% or 19.99%) of the number of shares of Common Stock, in each case, outstanding immediately after giving effect to the issuance of the Securities on the Closing Date.
  - (c) On the Closing Date, upon the terms and subject to the conditions set forth herein each Purchaser shall pay to the Company via wire transfer of immediately available funds equal to such Purchaser’s Subscription Amount as set forth on the signature page hereto executed by such Purchaser and the Company or its designees. The Company shall deliver to each Purchaser its respective Shares and Warrants as determined pursuant to [Section 2.2\(a\)](#), and the Company and each Purchaser shall deliver the other items set forth in [Section 2.2](#) at the Closing. Upon satisfaction of the covenants and conditions set forth in [Sections 2.2](#) and [2.3](#), the Closing shall occur at the offices of the Company or such other location as the parties shall mutually agree.
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- (d) Notwithstanding anything herein to the contrary, if at any time on or after the time of execution of this Agreement by the Company and an applicable Purchaser through the Closing (the “Pre-Settlement Period”), such Purchaser sells to any Person all, or any portion, of any Shares to be issued hereunder to such Purchaser at the Closing (collectively, the “Pre-Settlement Shares”), such Person shall, automatically hereunder (without any additional required actions by such Purchaser or the Company), be deemed to be a Purchaser under this Agreement unconditionally bound to purchase, and the Company shall be deemed unconditionally bound to sell, such Pre-Settlement Shares to such Person at the Closing; *provided*, that the Company shall not be required to deliver any Pre-Settlement Shares to such Purchaser prior to the Company’s receipt of the Subscription Amount for such Pre-Settlement Shares hereunder; *provided, further*, that the Company hereby acknowledges and agrees that the forgoing shall not constitute a representation or covenant by such Purchaser as to whether or not such Purchaser will elect to sell any Pre-Settlement Shares during the Pre-Settlement Period. The decision to sell any Shares will be made in the sole discretion of such Purchaser from time to time, including during the Pre-Settlement Period.
- (e) Notwithstanding the foregoing, with respect to any Notice(s) of Exercise (as defined in the Warrants) delivered on or prior to 12:00 p.m. (New York City time) on the Closing Date, which may be delivered at any time after the time of execution of this Agreement, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Closing Date, and the Closing Date shall be the Warrant Share Delivery Date (as defined in the Warrants) for such Warrants for all purposes hereunder.

## 2.2 Deliveries.

- (a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:
- (i) this Agreement duly executed by the Company;
  - (ii) the Registration Rights Agreement duly executed by the Company;
  - (iii) the Company’s wire instructions, on Company letterhead and executed by the Company’s Chief Executive Officer or Chief Financial Officer;
  - (iv) subject to the final sentence of Section 2.1(c), a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver on an expedited basis via The Depository Trust Company Deposit or Withdrawal at Custodian system shares of Common Stock equal to the portion of such Purchaser’s Subscription Amount divided by the Per Share Purchase Price, registered in the name of such Purchaser;
  - (v) for each Purchaser of Pre-Funded Warrants pursuant to Section 2.1, a Pre-Funded Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to the portion of such Purchaser’s Subscription Amount applicable to Pre-Funded Warrants divided by the sum of the Per Pre-Funded Warrant Purchase Price plus the exercise price per Warrant Share underlying such Pre-Funded Warrants, subject to adjustment as set forth therein;
  - (vi) a Common Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to 100% of (A) such Purchaser’s Shares, plus (B) the number of Pre-Funded Warrant Shares subject to such Purchaser’s Pre-Funded Warrants, if any, with an exercise price equal to \$4.02 per share, subject to adjustment as set forth therein;
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- (vii) the duly executed Lock-Up Agreement;
  - (viii) a certificate executed by the Chief Executive Officer and Chief Financial Officer of the Company, dated as of the date of the Closing Date, in form and substance reasonably acceptable to the Purchasers;
  - (ix) a certificate executed by the Secretary of the Company, dated as of the date of Closing, in form and substance reasonable acceptable to the Purchasers; and
  - (x) a legal opinion of Company Counsel, in form reasonably acceptable to the Purchasers.
- (b) On or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, the following:
- (i) this Agreement duly executed by such Purchaser;
  - (ii) the Registration Rights Agreement duly executed by such Purchaser; and
  - (iii) such Purchaser's Subscription Amount with respect to the Securities purchased by such Purchaser.

### 2.3 Closing Conditions.

- (a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:
- (i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be so accurate as of such date);
  - (ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed; and
  - (iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement.
- (b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:
- (i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be so accurate as of such date);
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- (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;
- (iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;
- (iv) there shall have been no Material Adverse Effect with respect to the Company; and
- (v) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or any Trading Market, and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

**ARTICLE III.  
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation made herein to the extent of the disclosures contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

- (a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary, free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.
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- (b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing, and, if applicable under the laws of the jurisdiction in which they are formed, in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective memorandum of association, articles of association, certificate or articles of incorporation, bylaws, operating agreement, or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.
- (c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors, a committee of the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.
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- (d) No Conflicts. Except as set forth in Schedule 3.1(d), the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's memorandum of association, articles of association, certificate or articles of incorporation, bylaws, operating agreement, or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except, in the case of each of clauses (ii) and (iii), as could not have or reasonably be expected to result in a Material Adverse Effect.
- (e) Filings, Consents and Approvals. Except as set forth in Schedule 3.1(e), the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement; (ii) notices and/or application(s) to and approvals by each applicable Trading Market for the listing of the applicable Securities for trading thereon in the time and manner required thereby; (iii) such filings as are required to be made under applicable state securities laws; and (iv) filings required by the Financial Industry Regulatory Authority ("FINRA") (collectively, the "Required Approvals").
- (f) Issuance of the Securities; Registration. The Shares and Warrant Shares are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company. The Warrants are duly authorized and, when issued in accordance with this Agreement, will be duly and validly issued, fully paid and non-assessable, and free and clear of all Liens imposed by the Company. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and the Warrants.
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- (g) Capitalization. The capitalization of the Company as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. Except as set forth on Schedule 3.1(g), the Company has not issued any shares of capital stock since its most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(g), there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, Class B common stock, par value \$0.0001 per share, of the Company (the "Class B Common Stock"), or capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock, Class B Common Stock, Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue shares of Common Stock, Class B Common Stock, or other securities to any Person (other than the Purchasers). Except as set forth on Schedule 3.1(g), there are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any share appreciation rights or "phantom share" plans or agreements or any similar plan or agreement. All of the outstanding shares of the Company are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance with all federal and state securities laws where applicable, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except for the Required Approvals, no further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's share capital to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.
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- (h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two (2) years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such materials) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “SEC Reports”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any further documents so filed and incorporated by reference to any SEC Report, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the applicable rules and regulations, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.
- (i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and strategic acquisitions and (B) liabilities not required to be reflected in the Company’s financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any of its shares of capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company share option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.
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- (j) Litigation. Except as set forth on Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an “Action”). None of the Actions set forth on Schedule 3.1(j): (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents, the Shares or the Warrant Shares; or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Except as set forth on Schedule 3.1(j), neither the Company nor any Subsidiary, nor any of their respective officers or directors, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been and there is not pending or, to the knowledge of the Company, contemplated any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.
- (k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company’s or its Subsidiaries’ employees is a member of a union that relates to such employee’s relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
- (l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case of (i), (ii) and (iii) as could not have or reasonably be expected to result in a Material Adverse Effect.
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- (m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all applicable federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such certificates, authorizations or permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.
- (o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.
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- (p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and which the failure to so have could have a Material Adverse Effect (collectively, the “Intellectual Property Rights”). Neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has no knowledge of any facts that would preclude it from having valid license rights or clear title to the Intellectual Property Rights. The Company has no knowledge that it lacks or will be unable to obtain any rights or licenses to use all Intellectual Property Rights that are necessary to conduct its business.
- (q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.
- (r) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of \$120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company or a Subsidiary and (iii) other employee benefits, including equity awards under any equity incentive plan of the Company.
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- (s) Sarbanes-Oxley; Internal Accounting Controls. Except as set forth on Schedule 3.1(s), the Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. Except as set forth on Schedule 3.1(s), the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as set forth on Schedule 3.1(s), the Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed Form 10-K under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed Form 10-K under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Except as set forth on Schedule 3.1(s), since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.
- (t) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents (for the avoidance of doubt, the foregoing shall not include any fees and/or commissions owed to the Transfer Agent). Other than for Persons engaged by any Purchaser, if any, the Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.
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- (u) Investment Company. The Company is not, and immediately after receipt of payment for the Securities, will not be, an “investment company” within the meaning of the Investment Company Act of 1940, as amended, or an Affiliate of any “investment company.” The Company shall conduct its business in a manner so that it will not become an “investment company” subject to registration under the Investment Company Act of 1940, as amended.
  - (v) Registration Rights. Except for Purchasers or as otherwise set forth on Schedule 3.1(v), no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.
  - (w) Listing and Maintenance Requirements. The shares of Common Stock are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. Except as set forth on Schedule 3.1(w), the Company has not, in the twelve (12) months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Common Stock is currently eligible for electronic transfer through The Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to The Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.
  - (x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company’s certificate of incorporation or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company’s issuance of the Securities and the Purchasers’ ownership of the Securities.
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- (y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information which is not otherwise disclosed in the SEC Reports. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve (12) months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.
- (z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of any applicable stockholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.
- (aa) Solvency. Except as described in the SEC Reports, based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. Except as described in the SEC Reports, the Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). Except as described in the SEC Reports, the Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(aa) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed by the Company or any Subsidiary in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others to third parties, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of \$50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.
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- (bb) Tax Compliance. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, or as set forth on Schedule 3.1(bb), the Company and its Subsidiaries each (i) has made or filed all federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges, fines or penalties that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its financial statements provision reasonably adequate for the payment of all material tax liability the amount of which has not been finally determined and all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.
- (cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA.
- (dd) Accountants. The Company's independent registered public accounting firm is as set forth in the SEC Reports. To the knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ended December 31, 2024.
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- (ee) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.
- (ff) Acknowledgment Regarding Purchasers' Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Shares for any specified term; (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) any Purchaser, and counterparties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, presently may have a "short" position in the Common Stock; and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Shares are outstanding with respect to Shares are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.
- (gg) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the shares of Common Stock, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the shares of Common Stock, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the shares of Common Stock.
- (hh) Promotional Stock Activities. Neither the Company nor any Subsidiary, and none of their respective officers, directors, managers, Affiliates or agents have engaged in any stock promotional activity that would constitute (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) a violation of the anti-touting provisions of the federal securities laws, (iii) improper "gun-jumping, or (iv) promotion without proper disclosure of compensation.
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- (ii) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.
  - (jj) Cybersecurity. (i)(x) To the knowledge of the Company, there has been no security breach or other compromise of or relating to any of the Company's or any Subsidiary's information technology and computer systems, networks, hardware, software, data (including the data of its respective customers, employees, suppliers, vendors and any third party data maintained by or on behalf of it), equipment or technology (collectively, "IT Systems and Data") and (y) the Company and the Subsidiaries have not been notified of, any security breach or other compromise to its IT Systems and Data; (ii) the Company and the Subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, individually or in the aggregate, have a Material Adverse Effect; (iii) the Company and the Subsidiaries have implemented and maintained commercially reasonable safeguards to maintain and protect its material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and Data; and (iv) the Company and the Subsidiaries have implemented backup and disaster recovery technology consistent with commercially reasonable industry standards and practices.
  - (kk) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").
  - (ll) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.
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- (mm) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the “BHCA”) and to regulation by the Board of Governors of the Federal Reserve System (the “Federal Reserve”). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent (25%) or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.
- (nn) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the “Money Laundering Laws”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.
- (oo) Promotional Stock Activities. Neither the Company nor any Subsidiary of the Company and none of their respective officers, directors, managers, affiliates or agents have engaged in any stock promotional activity that would constitute (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper “gun-jumping; or (iv) promotion without proper disclosure of compensation.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

- (a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.
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- (b) Understandings or Arrangements. Such Purchaser is acquiring the Securities as principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Resale Registration Statement or otherwise in compliance with applicable federal and state securities laws).
  - (c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants, it will be either (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(9), (a)(12) or (a)(13) under the Securities Act, or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.
  - (d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.
  - (e) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.
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- (f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms, which terms include definitive pricing terms, of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to such Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.
- (g) No Voting Agreements. The Purchaser is not a party to any agreement or arrangement, whether written or oral, between the Purchaser and any other Purchaser and any of the Company's stockholders as of the date hereof, regulating the management of the Company, the stockholders' rights in the Company, the transfer of shares in the Company, including any voting agreements, stockholder agreements or any other similar agreement even if its title is different or has any other relations or agreements with any of the Company's stockholders, directors or officers.
- (h) Brokers. Except as set forth on Schedule 3.2(h), no agent, broker, investment banker, person or firm acting in a similar capacity on behalf of or under the authority of the Purchaser is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, for which the Company or any of its Affiliates after the Closing could have any liabilities in connection with this Agreement, any of the transactions contemplated by this Agreement, or on account of any action taken by the Purchaser in connection with the transactions contemplated by this Agreement.
- (i) Independent Advice. Each Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Purchaser in connection with the purchase of the Securities constitutes legal, tax or investment advice.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, except as set forth in this Agreement, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

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**ARTICLE IV.**  
**OTHER AGREEMENTS OF THE PARTIES**

4.1 Removal of Legends.

- (a) The Shares, Warrants and Warrant Shares may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Shares, Warrants or Warrant Shares other than pursuant to an effective Resale Registration Statement or Rule 144, to the Company or to an Affiliate of the applicable Purchaser, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Shares, Warrants or Warrant Shares under the Securities Act.
- (b) Each Purchaser agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Shares, Warrants or Warrant Shares in the following form:

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

- (c) Certificates evidencing the Shares or the Warrant Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) following any sale of such Shares or Warrant Shares pursuant to Rule 144, when available, or (ii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall at its expense cause its counsel to issue a legal opinion to the Transfer Agent to effect the removal of the legend hereunder, subject to compliance with the Securities Act and/or Rule 144, when available. For the avoidance of doubt the Company shall pay all costs associated with such opinions. If all or any portion of a Warrant is exercised at a time when there is an effective Resale Registration Statement to cover the resale of the Shares or the Warrant Shares, or if such Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information requirements of Rule 144(c) and without volume or manner of sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including Sections 4(a)(1) or 4(a)(7), judicial interpretations and pronouncements issued by the staff of the SEC, including what is known as Section 4(a)(1½)) then such Warrant Shares shall be issued free of all legends. For avoidance of doubt, the Company agrees that after the requisite holding period to comply with Rule 144, the legend may be removed under Rule 144 of the Securities Act, assuming the holder satisfies the requirements of Rule 144. Certificates for Shares or Warrant Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to such Purchaser by crediting the account of such Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser.
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- (d) In the event any Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares and such request is not in violation of United States securities laws, such Purchaser shall pay all fees and expenses associated with or required by the legend removal and/or transfer, including legal fees, transfer agent fees and overnight delivery charges and taxes, if any, imposed by any applicable government upon the issuance of Common Stock.

4.2 Registration; Furnishing of Information. Until the earliest of (a) the time that no Purchaser owns any Securities and (b) the expiration of all of the Common Warrants, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act (even if the Company is not then subject to the reporting requirements of the Exchange Act).

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

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4.4 Securities Laws Disclosure; Publicity. The Company shall, within the time required by applicable laws following the date of execution of this Agreement, issue a press release announcing the entry into this Agreement. The Company shall, within the time required by applicable laws following the date of execution of this Agreement, file a Current Report on Form 8-K with the Commission, disclosing the material terms of this Agreement, including the forms of Transaction Documents as exhibits thereto. From and after the filing of the Form 8-K as provided in the preceding sentence, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries or Affiliates, or any of their respective officers, directors, employees or agents, in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates, on the one hand, and any of the Purchasers or any of their Affiliates on the other hand, shall terminate and be of no further force or effect; *provided*, that no such termination will affect the right of the Company to sue for any breach of such obligations by any party (or parties) prior to termination. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission, and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b) and reasonably cooperate with such Purchaser regarding such disclosure.

4.5 Stockholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.6 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.4, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that constitutes material non-public information, unless prior thereto such Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates delivers any material, non-public information to a Purchaser without such Purchaser's consent, the Company hereby covenants and agrees that such Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Company, and of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information; *provided*, that the Purchaser shall remain subject to applicable law. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

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4.7 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for repayment of certain outstanding convertible notes, working capital purposes and general corporate purposes, including any pending or future acquisitions, and shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than as described above, payment of trade payables in the ordinary course of the Company's business or repayment of obligations outstanding as of the date of this Agreement consistent with prior practices); (b) for the redemption of any shares of Common Stock, Class B Common Stock, or Common Stock Equivalents; (c) for the settlement of any outstanding litigation; or (d) in violation of FCPA or OFAC regulations or similar applicable regulations.

4.8 Indemnification of Purchasers. Subject to the provisions of this Section 4.8, the Company will indemnify and hold each Purchaser and its directors, officers, stockholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, stockholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against a Purchaser Party in any capacity (including a Purchaser Party's status as an investor), or any of them or their respective Affiliates, by the Company or any stockholder of the Company who is not an Affiliate of such Purchaser Party, arising out of or relating to any of the transactions contemplated by the Transaction Documents. For the avoidance of doubt, the indemnification provided herein is intended to, and shall also cover, direct claims brought by the Company against the Purchaser Parties; *provided*, that such indemnification shall not cover any loss, claim, damage or liability to the extent it is finally judicially determined to be attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in any Transaction Document or any conduct by such Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct. If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and, except with respect to direct claims brought by the Company, the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel to the applicable Purchaser Party (which may be internal counsel), a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed. In addition, if any Purchaser Party takes actions to collect amounts due under any Transaction Documents or to enforce any provisions of any Transaction Documents, then the Company shall pay the costs incurred by such Purchaser Party for such collection, enforcement or action, including, but not limited to, attorneys' fees and disbursements. The indemnification and other payment obligations required by this Section 4.8 shall be made by periodic payments of the amount thereof during the course of the investigation, defense, collection, enforcement or action, as and when bills are received or are incurred; *provided*, that if any Purchaser Party is finally judicially determined not to be entitled to indemnification or payment under this Section 4.8, such Purchaser Party shall promptly reimburse the Company for any payments that are advanced under this sentence. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

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4.9 Listing of Common Stock. The Company hereby agrees to use reasonable best efforts to maintain the listing or quotation of the shares of Common Stock on each Trading Market on which each is currently listed, and concurrently with the Closing, the Company shall apply to list or quote all of the Shares and Warrant Shares on such Trading Markets and promptly secure the listing of all of the Shares and Warrant Shares on such Trading Markets. The Company further agrees that, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Shares and Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of the Common Stock on a Trading Market and will comply in all material respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to use reasonable efforts to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.10 Subsequent Equity Sales.

- (a) From the date hereof until fifty nine (59) days after the date on which the Resale Registration Statement is first filed with the Commission, without the prior written consent of the Purchasers, neither the Company nor any Subsidiary shall (i) issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock, Class B Common Stock, or Common Stock Equivalents, other than an Exempt Issuance, or (ii) file any registration statement or amendment or supplement thereto, other than: (A) the Resale Registration Statement; (B) a registration statement on Form S-8 in connection with any employee benefit plan; or (C) a resale registration statement on Form S-1 with respect to shares of Common Stock issued or issuable pursuant to those certain Securities Purchase Agreements or other agreements in substantially the same form, by and among the Company and the following counterparties: Perkins Coie LLP, CP BF Lending, LLC, J.V.B Financial Group, LLC, MZHCI, LLC, Verista Partners, Inc., aka Winterberry Group, and the other parties thereto dated as of the date hereof.
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- (b) From the date hereof until the date that is twelve (12) months after the Closing Date, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of shares of Common Stock, Class B Common Stock, or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. “Variable Rate Transaction” means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive additional shares of Common Stock or Class B Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the Common Stock at any time after the initial issuance of such debt or equity securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for shares of Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit or an “at-the-market offering”, whereby the Company may issue securities at a future determined price regardless of whether shares pursuant to such agreement have actually been issued and regardless of whether such agreement is subsequently canceled, in the case of each of (i) and (ii), other than pursuant to: (1) conversion transactions under the Yorkville Promissory Notes, which such conversion transactions may be effected on a date no earlier than ninety one (91) days after the Closing Date (the “YA Note Conversion”); or (2) sales of the Company’s Common Stock under the SEPA at a price per share not less than 300% of the Per Share Purchase Price (the “Exempt SEPA Sales”). Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.
- (c) Notwithstanding the foregoing, this Section 4.10 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance other than as specified in Sections 4.10(b)(ii)(1), and 4.10(b)(ii)(2).

4.11 Equal Treatment of Purchasers. No consideration (including any modification of the Transaction Documents) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of the shares of Common Stock or otherwise.

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4.12 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.4, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (a) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4, (b) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4 and (c) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Company to the Company or its Subsidiaries after the issuance of the initial press release as described in Section 4.4. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.13 Exercise Procedures. The form of Notice of Exercise included in the Warrants set forth the totality of the procedures required of the Purchasers in order to exercise the Warrants. No additional legal opinion, other information or instructions shall be required of the Purchasers to exercise their Warrants. Without limiting the preceding sentences, unless required by the Company's Transfer Agent, no ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required in order to exercise the Warrants. The Company shall honor exercises of the Warrants and shall deliver Warrant Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.14 Reservations of Shares. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue shares of Common Stock pursuant to this Agreement and Warrant Shares pursuant to any exercise of the Warrants.

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4.15 Lock-Up Agreement. The Company shall not amend, modify, waive or terminate any provision of the Lock-Up Agreement, except to extend the term of the lock-up period, and shall enforce the provisions of the Lock-Up Agreement in accordance with its terms. If any party to the Lock-Up Agreement breaches any provision of the Lock-Up Agreement, the Company shall promptly use its best efforts to seek specific performance of the terms of the Lock-Up Agreement.

4.16 Subsequent Registrations. If as result of a Commission Staff policy, rule or regulation the Company is unable to register all of any Purchaser's Securities, then not later than thirty (30) days (or such later time as is required by the Staff of the Commission or any rule of the Commission) after any Resale Registration Statement filed pursuant to the Registration Rights Agreement is declared effective by the Commission, the Company shall file another Resale Registration Statement including all or a portion of such Purchaser's Securities and comply with the terms and conditions set forth in the Registration Rights Agreement. This covenant shall remain in effect, and the Company shall continue to file subsequent Resale Registration Statements and comply with the terms and conditions set forth in the Registration Rights Agreement in connection with each such filing until all of each Purchaser's Securities shall have been registered.

## **ARTICLE V. MISCELLANEOUS**

5.1 Consideration. As consideration for the repayment of all outstanding debt held by Purchaser, Borrower hereby agrees that Purchaser shall receive a credit of \$470,809.90 towards such purchase price, and any outstanding debt shall be deemed fully repaid.

5.2 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the Closing has not been consummated on or before the fifth (5th) Trading Day following the date hereof; *provided*, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.3 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.4 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

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5.5 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

5.6 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers who purchased at least 50.1% in interest of the sum of (a) the Shares and (b) the Pre-Funded Warrant Shares initially issuable upon exercise of the Pre-Funded Warrants based on the initial Subscription Amounts hereunder (or, prior to the Closing, the Company and each Purchaser), or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; *provided*, that, if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or multiple Purchasers), the consent of such disproportionately impacted Purchaser (or 50.1% in interest of such Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and holder of Securities and the Company.

5.7 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities; *provided*, that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the Purchasers.

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5.9 Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8 and this Section 5.8.

5.10 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, stockholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Action or Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence any Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.8, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.11 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities for the applicable statute of limitations.

5.12 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page was an original thereof.

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5.13 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.14 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; *provided*, that, in the case of a rescission of an exercise of a Warrant, the applicable Purchaser shall be required to return any shares of Common Stock subject to any such rescinded exercise notice concurrently with the return to such Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of such Purchaser's right to acquire such shares pursuant to such Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.15 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.16 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.17 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

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5.18 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.19 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.20 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions relating to shares of Common Stock that occur after the date of this Agreement.

**5.22 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

*(Signature Pages Follow)*

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IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

BANZAI INTERNATIONAL, INC.

Address for Notice:

435 Ericksen Ave,  
Suite 250  
Bainbridge, WA 98110

By: \_\_\_\_\_  
Name: Joseph Davy  
Title: Chairman and Chief Executive Officer

Email: [joe@banzai.io](mailto:joe@banzai.io)

With a copy to (which shall not constitute notice):

Hunter Taubman Fischer & Li LLC  
950 Third Avenue, 19th Floor  
New York, New York 10022

Email: [ltaubman@htflawyers.com](mailto:ltaubman@htflawyers.com)

Attention: Lou Taubman

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

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[PURCHASER SIGNATURE PAGES TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**ALCO INVESTMENT COMPANY**

By: \_\_\_\_\_  
Name: Mason Ward  
Title: CFO, Treasurer

Address for Notice to Purchaser:

Alco Investment Company  
PO Box 3558  
Federal Way, WA 98063-3558  
Attention: Mason Ward  
Email: mason@alcoinvestment.com

with a copy (which shall not itself constitute notice) to:

Michael Dunn  
Seyfarth Shaw LLP  
700 Milam St.  
Suite #1400  
Houston, Texas 77002-2812  
Attn: Michael Dunn  
Email: MDunn@seyfarth.com

*[Share information follows]*

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**ALCO INVESTMENT COMPANY**

DWAC for Common Stock:

Subscription Amount: \$5,178,908.90

Shares of Common Stock: 282,420

Shares of Common Stock underlying the Pre-Funded Warrants: 1,048,920

Beneficial Ownership Blocker 4.99% or 9.99% or 19.99%

Warrant Shares underlying the Common Warrants: 1,331,340

Beneficial Ownership Blocker 4.99% or 9.99% or 19.99%

EIN Number: 91-0677307

Notwithstanding anything contained in this Agreement to the contrary, by checking this box (i) the obligations of the above-signed to purchase the securities set forth in this Agreement to be purchased from the Company by the above-signed, and the obligations of the Company to sell such securities to the above-signed, shall be unconditional and all conditions to Closing shall be disregarded, (ii) the Closing shall occur on the first (1<sup>st</sup>) Trading Day following the date of this Agreement and (iii) any condition to Closing contemplated by this Agreement (but prior to being disregarded by clause (i) above) that required delivery by the Company or the above-signed of any agreement, instrument, certificate or the like or purchase price (as applicable) shall no longer be a condition and shall instead be an unconditional obligation of the Company or the above-signed (as applicable) to deliver such agreement, instrument, certificate or the like or purchase price (as applicable) to such other party on the Closing Date.

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**Exhibit A**

**Form of Private Placement Warrant Agreement**

(See Attached)

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**Exhibit B**

**Form of Pre-Funded Private Placement Warrant Agreement**

(See Attached)

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**Exhibit C**  
**Form of Lock-Up Agreement**  
(See Attached)

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**Exhibit D**

**Form of Registration Rights Agreement**

(See Attached)

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**REPAYMENT AGREEMENT**

This Repayment Agreement is being entered into by and between Banzai International, Inc., a Delaware corporation ("Company"), and Perkins Coie LLP ("Payee"), as of September 9, 2024 (the "Effective Date"). The Company and Payee are each a "Party" and collectively the "Parties" hereto.

WHEREAS, Payee has previously provided legal services to the Company (the "Services"), but that representation has concluded.

WHEREAS, the Company acknowledges and agrees that it has incurred outstanding fees for such Services in an amount exceeding One Million Three Hundred Eighty-Five Thousand and no/100 Dollars (\$1,385,000.00) (the "Unpaid Fee Amount") and desires to satisfy all unpaid accounts receivable owing from the Company to the Payee for the Services through payment of the Unpaid Fee Amount in accordance with the terms of this Agreement.

WHEREAS, on July 31, 2024, the Company filed a registration statement on Form S-1 (333- 281114) in anticipation of completing a registered offering (the "Registered Offering") of shares of Class A Common Stock, par value \$0.0001 of the Company (the "Common Stock").

WHEREAS, on August 29, 2024, the stockholders of the Company approved a reverse stock split of the Company's Class A Common Stock, par value \$0.0001 per share at a ratio of up to 1-for-50, with the final ratio and exact timing to be determined at the discretion of the Board of Directors and included in a public announcement, subject to the authority of the Board of Directors to abandon such amendment (the "Reverse Stock Split").

**NOW THEREFORE**, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged by both Parties, the Parties agree as follows:

1. The Company may satisfy the Unpaid Fee Amount by issuing to Payee, on or before 60 days following the Effective Date (such date, the "Deadline"), unrestricted, freely-trading, registered shares of Common Stock, having a market value as of the date of issuance equal to the Unpaid Fee Amount, such number of shares to be defined as the quotient of the Unpaid Fee Amount and the price that is the lower of: (i) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) on the date immediately preceding the date of issuance; and (ii) the average Nasdaq Official Closing Price of the common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the date of issuance (the "Minimum Price"). The Company shall credit such aggregate number of shares of Common Stock to which the Payee shall be entitled (the "Payment Shares") to the Payee's Broker's balance account with the Depository Trust Company's ("DTC") Fast Automated Securities Transfer Program through its Deposit Withdrawal Agent Commission system. The Company will pay any and all legal, deposit and transfer agent fees that may be incurred or charged in connection with the issuance of the Payment Shares.

a. Conditions to Share Issuances. The ability of the Company to satisfy the Unpaid Fee Amount through the issuance of Payment Shares is conditioned upon satisfaction of each of the following:

i. The Reverse Stock Split shall have been completed.

ii. The Registration Statement shall be effective in accordance with the provisions set forth in Section 2(d) below and the Payment Shares are issued to Payee without restrictive legends.

iii. The Payment Shares shall not be subject to any contractual lock-ups.

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iv. Trading in the Common Stock shall not have been suspended by the Securities and Exchange Commission, the Principal Market or FINRA, and the Company shall not have received any uncured notice of non-compliance or delisting relating to the listing or quotation of the Common Stock on the Principal Market (unless, prior to such date certain, the Common Stock is listed or quoted on any subsequent Principal Market), nor shall there have been imposed any suspension of, or restriction on, accepting additional deposits of the Common Stock, electronic trading or book-entry services by DTC with respect to the Common Stock that is continuing, the Company shall not have received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the Common Stock, electronic trading or book-entry services by DTC with respect to the Common Stock is being imposed or is contemplated (unless, prior to such suspension or restriction, DTC shall have notified the Company in writing that DTC has determined not to impose any such suspension or restriction); provided, however that the foregoing shall not include any chill placed on the Common Stock as a result of a reverse stock split implemented pursuant to the shareholder approval the Company received on August 29, 2024.

b. Definitions. For purposes of this Agreement, “Principal Market” shall mean any of The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market, and any successor to any of the foregoing markets or exchanges.

c. Registration Right. The Company hereby covenants and agrees to include, in the next Registration Statement on Form S-1 or Registration Statement on Form S-3 that it files with the Commission for the public resale of shares of Common Stock (such Registration Statement, together with any prospectus, prospectus supplement or amendment thereto, the “Registration Statement”) no less than 23,000,000 shares of Common Stock (subject to adjustment for any stock split, reverse stock split, including the Reverse Stock Split, or the like) which may be issuable to the Payee under this Agreement (the “Registrable Securities”). Company shall use reasonable best efforts to cause the Registration Statement to become effective as promptly as reasonably practicable. Following effectiveness of the Registration Statement, Company shall use reasonable best efforts to keep the Registration Statement continuously effective, and not subject to any stop order, injunction or other similar order or requirement of the Commission, until the date that all Registrable Securities covered by the Registration Statement shall be disposed of pursuant to the Registration Statement.

d. Authorized Shares. Company covenants that during the period the Unpaid Fee Amount remains outstanding, Company will reserve from its authorized and unissued Common Stock 23,000,000 shares (subject to adjustment for any stock split, reverse stock split, including the Reverse Stock Split, or the like) for future issuance in accordance with the terms of this Agreement. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Company shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock which may be issued under the terms of the Agreement, the Company shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for issuance under the terms of this Agreement. The Company acknowledges that it will irrevocably instruct its transfer agent to reserve the Common Stock issuable under the terms of this Agreement.

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2. Failure or Inability to Issue Payment Shares. In the event (i) the Company shall fail to issue the Payment Shares by the Deadline (a “Nonpayment Event”), or (ii) the Company shall have received written notice from the Principal Market that the Company will not be granted additional time to regain compliance with the Principal Market’s listing standards, (a) the Unpaid Fee Amount shall become immediately due and payable in cash, and (b) the Payee may pursue all rights and remedies available hereunder. Payee enters into this Agreement with a full reservation of, and without prejudice to, all rights and claims it has or may have, and/or that may be asserted by Payee with respect to the Unpaid Fee Amount. Only if the Payment Shares are issued to Payee in accordance with the terms of this Agreement, by no later than the Deadline, Payee will accept the Payment Shares as satisfaction in full of the Unpaid Fee Amount. Notwithstanding anything herein to the contrary, from and during the continuation of a Nonpayment Event under Section 3 of this Agreement, interest shall accrue on the outstanding portion of the Unpaid Fee Amount at a per annum rate equal to eighteen percent (18%) per annum until such default has been cured. Subject to Section 2, the Unpaid Fee Amount shall be paid to Payee in lawful money of the United States of America by wire transfer of immediately available funds to the account set forth in the wire instructions provided to the Company on the invoices delivered for the Services. If any payment is due on a Saturday, Sunday or a bank or legal holiday, such payment shall be made on the next succeeding business day.

3. Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THEY MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

4. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

5. Exercise of Remedies. No delay or omission on the part of Payee in the exercise of any right or remedy under this Agreement shall operate as a waiver thereof, and no partial exercise of any right or remedy, acceptance of a past due installment or other indulgences granted from time to time shall be construed as a novation of this Agreement or precludes other or further exercise thereof or the exercise of any other rights or remedy.

6. Amendment; Third Party Beneficiary. Any provision of this Agreement may be amended or waived only with a written instrument duly executed by the Company and the Payee. There are no third party beneficiaries of this Agreement.

7. Representation by Separate Counsel. Payee previously represented the Company as legal counsel in certain matters, but that representation has concluded. Payee, its partners, and its attorneys are not advising and have not advised the Company regarding the issues out of which this Agreement arises or whether to enter into this Agreement or any other agreement with Payee or otherwise in any way in connection with the subject matter of this Agreement. The Company has been given the opportunity to obtain its own representation, and Payee has specifically recommended that the Company receive its own advice in connection with the consideration, negotiation, and drafting of this Agreement, including without limitation the advisability of whether to enter into this Agreement or any other agreement with Payee regarding the subject matter of this Agreement.

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8. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the day of transmission if sent by confirmed electronic transmission during normal business hours, or if sent outside of business hours, then the business day following the date of transmission by confirmed electronic transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed to the Company or Payee, as set forth below, or at such other address as the Company or the Payee may designate by advance written notice to the other parties hereto.

If to the Company: Banzai International, Inc. 435  
Ericksen Ave, Suite 250  
Bainbridge Island, Washington 98110 Attn:  
Joe Davy  
Email: joe@banzai.io

If to the Payee:

Perkins Coie LLP 1201  
Third Avenue  
Suite 4900  
Seattle, Washington 98101  
Attn: Lee Schindler; Thomas Bourne  
Email:  
LSchindler@perkinscoie.com;TBourne@perkinscoie.com

9. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware. The Company and Payee each expressly consent to personal jurisdiction to the state and/or federal courts in Delaware in any dispute involving this Agreement. Service of any pleadings or judgments other than original process shall be affected by email, U.S. Mail, overnight couriers or other commercially acceptable means of notice.

[Signature page follows]

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IN WITNESS WHEREOF, the undersigned have caused this Repayment Agreement to be executed by its duly authorized officers as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: Joe Davy  
Name: Joseph Davy  
Title: Chief Executive Officer

**PERKINS COIE LLP**

By: Lee Schindler  
Name:  
Title:

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## AMENDED &amp; RESTATED REPAYMENT AGREEMENT

This Amended & Restated Repayment Agreement (“Agreement”) is being entered into by and between Banzai International, Inc., a Delaware corporation (“Company”), and J.V.B. Financial Group, LLC acting through Cohen & Company Capital Markets Division (“Payee”), as of September 6, 2024 (the “Effective Date”). The Company and Payee are each a “Party” and collectively the “Parties” hereto.

WHEREAS, Payee has previously provided various services to the Company (the “Services”).

WHEREAS, the parties previously entered into the original Repayment Agreement on September 5, 2024 (the “Original Agreement”), pursuant to which the Company acknowledged and agreed that it incurred outstanding fees for such Services in an amount equal to One Hundred Fifteen Thousand Dollars (\$115,000.00) (the “Unpaid Fee Amount”) and desired to satisfy all unpaid accounts receivable owing from the Company to the Payee for the Services through payment of the Unpaid Fee Amount in accordance with the terms of the Original Agreement.

WHEREAS, since the date of the Original Agreement, the parties agreed that the Unpaid Fee Amount shall be paid in restricted shares of the Company’s Class A Common Stock, par value \$0.0001 of the Company (the “Common Stock”), based on the terms provided herein.

WHEREAS, the parties desire to enter into this Agreement in connection with the Unpaid Fee Amount to amend and restate the Original Agreement in its entirety to clarify the amount of Payment Shares (as hereinafter defined) to be issued and provide the Payee with certain registration rights relating to the Payment Shares.

**NOW THEREFORE**, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged by both Parties, the Parties agree as follows:

1. The Company shall satisfy the Unpaid Fee Amount by issuing to Payee that number of shares of Common Stock equal to [ ] (the “Payment Shares”) to, and in the name of, the Payee. The Company will pay any and all legal, deposit and transfer agent fees that may be incurred or charged in connection with the issuance of the Payment Shares. The Payment Shares, when issued, shall be duly authorized, validly issued, fully paid and non-assessable.

a. Conditions to Share Issuances. The ability of the Company to satisfy the Unpaid Fee Amount through the issuance of Payment Shares and to issue the Payment Shares is conditioned upon satisfaction of each of the following:

i. The Payment Shares shall not be subject to any contractual lock-ups;

ii. This Agreement shall have been signed by the Company and Payee; and

iii. Trading in the Common Stock shall not have been suspended by the Securities and Exchange Commission (the “Commission”), the Principal Market or FINRA, and the Company shall not have received any additional uncured notices of non-compliance or delisting relating to the listing or quotation of the Common Stock on the Principal Market (unless, prior to such date certain, the Common Stock is listed or quoted on any subsequent Principal Market), since the Current Report on Form 8-K that the Company filed on August 9, 2024, nor shall there have been imposed any suspension of, or restriction on, accepting additional deposits of the Common Stock, electronic trading or book-entry services by DTC with respect to the Common Stock that is continuing, the Company shall not have received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the Common Stock, electronic trading or book-entry services by DTC with respect to the Common Stock is being imposed or is contemplated (unless, prior to such suspension or restriction, DTC shall have notified the Company in writing that DTC has determined not to impose any such suspension or restriction); provided, however that the foregoing shall not include any chill placed on the Common Stock as a result of a reverse stock split implemented pursuant to the shareholder approval the Company received on August 29, 2024.

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Upon the satisfaction or waiver of the conditions set forth above in Section 1(a)(i) – 1(a)(iii), the Company shall issue the Payment Shares.

b. Prior to the date of this Agreement, none of the Company or any of its affiliates have entered into any “side letters,” subscription agreements, writings, agreements or contracts with any service provider of the Company or any subsidiary or affiliate of the Company (collectively, the “Company Entities”) in connection with the issuance, or an agreement to issue, equity of the Company in consideration for fees owed by the Company Entities to any such service provider (each, a “Side Agreement”), which contain terms that have the effect of establishing rights more favorable to any such service provider than the rights established in favor of the Payee as set forth herein. The Company shall promptly notify the Payee of any Side Agreements entered into by any of the Company Entities on or after the date hereof that establishes rights under, or alters or supplements the terms of, any agreement that has the effect of establishing rights more favorable to any such service provider than the rights established in favor of the Payee, directly or indirectly, by this Agreement. Such notice shall set forth a summary of the more favorable rights contain in such Side Agreement and the Payee shall be entitled to elect to receive the same rights granted in such Side Agreement effective as of the date of such Side Agreement if the Payee advises the Company of such election within 30 days of the Payee’s receipt of a such notice.

c. Definitions. For purposes of this Section 1, the following terms shall have the meanings set forth below:

“Primary Market” means any of The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market, and any successor to any of the foregoing markets or exchanges.

“Trading Day” shall mean a day on which the Common Stock is quoted or traded on a primary market on which the Common Stock is then quoted or listed; provided, that in the event that the Common Stock is not listed or quoted, then Trading Day shall mean a business day.

“VWAP” shall mean for any Trading Day, the daily volume weighted average price of the Common Stock for such Trading Day on the principal market during regular trading hours as reported by Bloomberg L.P. through its “AQR” function.

d. Registration Right. The Company hereby covenants and agrees to file a Registration Statement on Form S-1 with the Commission (such Registration Statement, together with any prospectus, prospectus supplement or amendment thereto, the “Registration Statement”) for the public resale of the Payment Shares (the “Registrable Securities”). The Company shall use reasonable best efforts to cause the Registration Statement to be filed within 60 days after the Effective Date (the “Filing Deadline”) and the date the Registration Statement is filed is hereinafter referred to as the “Filing Date”) and to cause the Registration Statement to become effective within 90 days after the Effective Date (the “Effectiveness Deadline”); provided, however, that the Effectiveness Deadline shall be extended to one hundred and fifty (150) days after the Filing Deadline if the Registration Statement is reviewed by, and receives comments from, the Commission. Following effectiveness of the Registration Statement, Company shall use reasonable best efforts to keep the Registration Statement continuously effective, and not subject to any stop order, injunction or other similar order or requirement of the Commission, until the date that all Registrable Securities covered by the Registration Statement shall be disposed of pursuant to the Registration Statement.

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2. Top Off. If the “Minimum Price” as defined under Nasdaq Rule 5635(d) (provided, for purposes of determining the Minimum Price, the reference to “the signing of the binding agreement” shall mean “the date the Registration Statement is declared effective”) on the the date the Registration Statement is declared effective is less than \$[ ], the Company shall issue immediately issue (and in any event within one business day) Payee that number of additional shares of Common Stock as is necessary to equal the Unpaid Fee Amount if such amount were to be paid on the date the Registration Statement is declared effective. Any such shares of Common Stock issued pursuant to this Section 2 shall be duly authorized, validly issued, fully paid and non-assessable and shall be registered for resale under the Securities Act of 1933, as amended, or otherwise freely tradeable, as of the date of issuance and will be delivered in book entry form in the name of, and delivered to, Payee (or its designee) on the date of issuance. . The Company covenants that during the period until the Registration Statement is declared effective, Company will reserve from its authorized and unissued Common Stock the number of shares (subject to adjustment for any stock split, reverse stock split or the like) for future issuance that is reasonably expected to be issued in accordance with the terms of this Agreement. In addition, if the Company shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock which may be issued under the terms of the Agreement, the Company shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for issuance under the terms of this Agreement. The Company acknowledges that it will irrevocably instruct its transfer agent to reserve the Common Stock issuable under the terms of this Agreement.

3. Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THEY MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

4. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

5. Exercise of Remedies. No delay or omission on the part of Payee in the exercise of any right or remedy under this Agreement shall operate as a waiver thereof, and no partial exercise of any right or remedy, acceptance of a past due installment or other indulgences granted from time to time shall be construed as a novation of this Agreement or precludes other or further exercise thereof or the exercise of any other rights or remedy.

6. Amendment; Third Party Beneficiary. Any provision of this Agreement may be amended or waived only with a written instrument duly executed by the Company and the Payee. There are no third party beneficiaries of this Agreement.

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7. Representation by Separate Counsel. Payee previously represented the Company as legal counsel in certain matters, but that representation has concluded. Payee, its partners, and its attorneys are not advising and have not advised the Company regarding the issues out of which this Agreement arises or whether to enter into this Agreement or any other agreement with Payee or otherwise in any way in connection with the subject matter of this Agreement. The Company has been given the opportunity to obtain its own representation, and Payee has specifically recommended that the Company receive its own advice in connection with the consideration, negotiation, and drafting of this Agreement, including without limitation the advisability of whether to enter into this Agreement or any other agreement with Payee regarding the subject matter of this Agreement.

8. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the day of transmission if sent by confirmed electronic transmission during normal business hours, or if sent outside of business hours, then the business day following the date of transmission by confirmed electronic transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed to the Company or Payee, as set forth below, or at such other address as the Company or the Payee may designate by advance written notice to the other parties hereto.

If to the Company:           Banzai International, Inc.  
435 Ericksen Ave, Suite 250  
Bainbridge Island, Washington 98110  
Attn: Joe Davy  
Email: joe@banzai.io

If to the Payee:             J.V.B. Financial Group, LLC  
3 Columbus Circle, 24th Floor  
New York, NY 10019  
Attn: General Counsel  
Email: gc@cohenandcompany.com

9. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware. The Company and Payee each expressly consent to personal jurisdiction to the state and/or federal courts in Delaware in any dispute involving this Agreement. Service of any pleadings or judgments other than original process shall be affected by email, U.S. Mail, overnight couriers or other commercially acceptable means of notice.

[Signature page follows]

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**IN WITNESS WHEREOF**, the undersigned have caused this Repayment Agreement to be executed by its duly authorized officers as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_

Name: Joseph Davy

Title: Chief Executive Officer

**J.V.B. FINANCIAL GROUP, LLC**

By: \_\_\_\_\_

Name:

Title:

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[www.mzgroup.us](http://www.mzgroup.us)

**INVESTOR RELATIONS CONSULTING AGREEMENT**

THIS CONSULTING AGREEMENT (“Agreement”) is made this 21<sup>st</sup> day of August 2024 by and between Banzai International, Inc. (hereinafter referred to as the “Company” or “BNZI”) and MZHCI, LLC, a MZ Group Company (hereinafter referred collectively as the “Consultant” or “MZHCI”).

**EXPLANATORY STATEMENT**

The Consultant has Investor Relations and public relations consulting expertise, and possesses valuable knowledge, and experience in the areas of business finance and corporate investor/public relations. The Company desires to retain the Consultant to perform consulting services for the Company under this Agreement.

NOW, THEREFORE, in consideration of their mutual Agreements and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the affixation by the parties of their respective signatures below, the parties agree as follows:

**CONSULTING SERVICES**

1.1 MZHCI agrees that commencing on the 26<sup>th</sup> day of August 2024 (the “Effective Date”), the Consultant will reasonably be available during regular business hours to perform the services set forth in Section I below (the “Services”). The Company shall be responsible for the accuracy and completeness of all data and information provided to MZHCI for purposes of its performance of Services under this Agreement.

1.2 MZHCI shall render services to the Company as an independent contractor, and not as an employee, an agent, distributor or representative of the other. Neither party shall act or present itself, directly or indirectly, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other. The Services shall be performed in a manner consistent with generally accepted industry standards, in a professional and workmanlike manner. BNZI shall cooperate with Consultant in its performance of Services under this Agreement, including without limitation providing Consultant with reasonable facilities and timely access to data, information and personnel of BNZI.

Page 1 of 7 MZHCI initials: \_\_\_\_\_ Company initials: \_\_\_\_\_



**I. SCOPE OF SERVICES, PROGRAMS AND DELIVERABLES**

The following Services shall be performed by MZHCI during the Term:

MZHCI will develop and implement a stock market support system for BNZI with the general objective of expanding awareness in BNZI among stockbrokers, analysts, small-cap portfolio/fund managers, market makers, and the appropriate financial & trade publications.

**INVESTOR RELATIONS**

- A. Complete IR Audit (including full review of the investor and shareholder database, IR website and all public documentation)
- B. Understand the financials and all operating metrics of BNZI in detail, facilitating interactions with new and current investors.
- C. Senior Account Manager and single point of contact for all investors and streamlining of all communication and IR functionality.
- D. Develop and Update FAQ
- E. Create 2-Page Corporate Profile
- F. PowerPoint Presentation Updates
- G. Review and provide suggestions for IR website
- H. Quarterly Conference Call Script and Preparation
- I. Press Release Input and Dissemination
- J. Facilitate incoming and outgoing investor/shareholder calls. Screen all parties before allowing communication with management.
- K. Shareholder Database Management
- L. Roadshow Management Coaching
- M. Roadshows with Detailed Follow-Up
- N. Targeted Sell-Side Research and Financial Media Introductions
- O. Investor Conference Invites

**INVESTMENT AWARENESS AND OUTREACH**

- A. Consultant will use good faith efforts to make introductions to investors worldwide utilizing a proprietary, robust database:
  - i. Analysts (both generalists and industry specialists)
  - ii. Portfolio Managers/Institutions
  - iii. High Net Worth Investors & Family Offices
  - iv. Financial Publications

**FINANCIAL MEDIA**

MZHCI will work to coordinate opportunities that position BNZI in financial news channels to build and enhance the company's image among stakeholders. MZ will focus on identifying and engaging appropriate media to encourage interest in BNZI's news, achievements and milestones related to its corporate goals. To further enhance BNZI's market credibility and trust, our team will help build thought leadership platforms and prepare executives to provide insight into broader industry trends and issues that can impact stakeholders. Services include:

- A. Media training

- B. Identification and outreach to financial media across print, online, broadcast, podcast
- C. Identification and media positioning around industry developments
- D. Monitoring and reporting on media coverage
- E. Strategic counsel on media facing initiatives
- F. Creation of media facing content including news releases
- G. FAQ message development to support significant corporate initiatives

#### **INVESTOR RELATIONS WEBSITE DESIGN AND HOSTING**

MZ will design, develop and host a company-specific investor relations website for BNZI upon request.

Website features include:

- A. Hosting infrastructure with Amazon AWS data center hosting in the United States.
- B. Fully responsive layout structure with customization of logo, content, map, images and color, following the Brand Identity Manual
- C. Top-tier security with https
- D. Initial SEO preparation and URL customization
- E. GDPR Compliance – MZ is committed to the General Data Protection Regulation and protecting Personally Identifiable Information. In addition to the GDPR compliance, our policies and procedures follow the rigorous controls set out in ISO 27001:2013
- F. Automated Feed for regulatory filings and press releases, as needed
- G. Easy to manage CMS for full autonomy
- H. 24x7 support team to provide our clients with an outstanding customer experience

#### **PUBLIC MARKET INSIGHT**

MZHCI will counsel and educate the Company's senior management on the life cycle of the financial markets and most importantly how the Company is impacted directly and indirectly by different variables. The Team at MZHCI leverages its collective expertise on all aspects of strategic financial, corporate, and crisis communications gained through representing over 200 public companies. MZHCI will help the Company set and manage expectations while relaying valuation metrics, perceptions, and methodologies utilized by investment professionals. This consulting aspect of MZHCI's business is extremely valuable for management to optimize key opportunities and to avoid pitfalls.

As part of its ongoing commitment and partnership with the Company, MZHCI will educate the Company's senior management on the importance of establishing conservative expectations and how various corporate actions may be perceived and impact the public market.

**ONGOING DURING TERM**

- A. Respond to all investor requests and calls in a timely manner to facilitate the distribution of corporate information. Focus on educating shareholders, with the premise that an informed investor will become a longer-term investor.
- B. Continually update the database to ensure that all press releases are e-mailed to all interested professionals. This includes the input of notes to keep track of all investor correspondence and reminders investors prior to earnings conference calls.
- C. Provide consulting services to BNZI management on the public markets.
- D. Provide progress reports to senior management and evaluate achievements with a summary of activities and a detailed report as requested.

Many of the above items will occur simultaneously but certain items will have chronological priority over others. As BNZI grows, MZHCI will recommend changes to the agenda that complement its growth. As the Company continues to execute its strategic plan by winning new customers and expanding its base of business, MZHCI will target an expanded universe of institutional investors. At each stage of growth, the appropriate approach to the market will be incorporated into the agenda for optimal results.

**II. TERM**

This agreement becomes effective upon the Effective Date and shall remain effective for a period of six (6) months (the “Term”), unless terminated earlier as set forth below. Upon expiration of the initial Term, this agreement shall automatically renew every six (6) months thereafter unless either party to the other delivers sixty (60) days written notice of termination prior to the end of the then-current term. Notwithstanding anything to the contrary, MZHCI may terminate this Agreement if the Company fails to timely pay the Compensation set forth in Section III below. On any such termination, the Company shall still be obligated to pay the Compensation set forth in Section III through the remainder of the then current Term.

**III. COMPENSATION**

\$12,500 per month

**Cash**

The first month’s payment is due immediately and all subsequent payments are due within five (5) days of each month of service. In the event MZHCI does not receive payment by the 5th day of each month, the Company shall accrue a late charge on the balance outstanding at the lesser of (a) 1 1/2% per month or (b) the highest rate allowed by law, in each case compounded monthly to the extent allowed by law. At each annual anniversary of the Effective Date of this Agreement, a 5% COLA (Cost of Living Adjustment) increase will be applied to the cash fee.

**Equities**

The Company will issue MZHCI 1,200,000 shares of restricted BNZI common stock within ten (10) days of the signing of the Agreement. The Shares shall be deemed earned, fully paid, and non-forfeitable pursuant to the terms hereof (without delay) the Company shall post on EDGAR a Form 8-K, 10-Q or 10-K, or other acceptable SEC filing, reporting on its entry into an Agreement with MZHCI within three (3) months.

**Required language:** *On August 26, 2024, Banzai International, Inc. entered into an investor relations consulting agreement with MZHCI, LLC.*

**Expense Reimbursement**

Only expenses that would ordinarily be incurred by the Company will be billed back on a monthly basis. Applicable reimbursements would include creation, printing, and postage for investor packages, fees for news wire services. Any packages requiring additional photocopying/ printing will be billed back to the Company at cost (with no mark-up). Any extraordinary items, such as broker lunch presentations, air travel, hotel, ground transportation or media campaigns, etc. shall be paid by the Company.

**IV. PRIOR RESTRICTION**

MZHCI represents to the Company that it is not subject to, or bound by, any Agreement which sets forth or contains any provision, the existence or enforcement of which would in any way restrict or hinder MZHCI from performing the services on behalf of the Company that MZHCI is herein agreeing to perform.

**V. ASSIGNMENT**

This Agreement may not be assigned by the Company without the prior written consent of MZHCI. This Agreement may be assigned by MZHCI in the event of a sale of substantially all of the assets of MZHCI. Subject to the foregoing, the rights and obligations under this Agreement shall inure to the benefit of, and shall be binding upon, the heirs, legatees, successors, and permitted assigns.

**VI. CONFIDENTIALITY**

Except as required by law or court order, MZHCI will keep confidential any trade secrets or confidential or proprietary information of the Company which hereinafter may become known to MZHCI and MZHCI shall not at any time directly or indirectly disclose or permit to be disclosed any such information to any person, firm, or corporation or other entity, or use the same in any way other than in connection with the business of the Company and in any case only with prior written permission of BNZI. For purposes of this Agreement, "trade secrets or confidential or proprietary information" includes information unique to or about the Company including but not limited to its business and that is not known or generally available to the public. It is understood and agreed that MZHCI's obligations pursuant to this section survive the termination of this Agreement.

**VII. DEFAULT**

1. Except for a claim or controversy arising under Section VII of this Agreement, any claim or controversy arising under any of the provisions of this Agreement shall, at the election of MZHCI, be determined by arbitration in Orange County, California in accordance with the rules of the American Arbitration Association. The decision of the Arbitrator shall be binding and conclusive upon the parties. Each party shall pay its own costs and expenses in any such arbitration. In all cases, this Agreement shall be governed by, and construed in accordance with, the laws of the State of California, USA and venue in Orange County, California and the Company hereby consents to such jurisdiction. The prevailing party shall be entitled to reimbursement of all fees incurred, including attorney, filing, travel, and anything associated with the arbitration or litigation.
2. MZHCI warrants that the Services provided by it shall be performed in a professional manner. EXCEPT AS SET FORTH IN THE PRECEDING SENTENCE, MZHCI MAKES NO REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED OR STATUTORY. In the event of a breach by MZHCI of this Agreement, the Company's sole remedy against MZHCI shall be to re-perform the Services in accordance with the warranty. Notwithstanding the foregoing, in no event shall the liability of MZHCI, whether by reason of breach of contract, tort (including without limitation negligence), statute or otherwise exceed the amount of fees paid by the Company under this Agreement. Further, in no event shall MZHCI have any liability for loss of profits, loss of business, indirect, incidental, consequential, special, punitive, indirect or exemplary damages, even if the Company has been advised of the possibility of such damages. In furtherance and not in limitation of the foregoing, MZHCI shall not be liable in respect of any decisions made by the Company as a result of the Services.

3. Since MZHCI must at all times rely upon the accuracy and completeness of information supplied to it by the Company's officers, directors, agents, and employees, the Company agrees to indemnify, reimburse, hold harmless and defend MZHCI, its directors, officers, agents, and employees at the Company's expense, against any and all losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses and disbursements (and any and all actions, suits, proceedings and investigations in respect thereof and any and all legal and other costs, expenses and disbursements in giving testimony or furnishing documents in response to a subpoena or otherwise), including, without limitation, the costs, expenses and disbursements, as and when incurred, of investigating, preparing or defending any such action, suit, proceeding or investigation, directly or indirectly, caused by, relating to, based upon, arising out of or in connection with this Agreement, including which may arise out of and/or be due to any material misrepresentation in such information supplied by the Company to MZHCI (or any material omission by the Company that caused such supplied information to be materially misleading).
4. MZHCI agrees to indemnify, hold harmless and defend the Company, its officers, directors, employees, and agents from and against any and all claims, actions, proceedings, losses, liabilities, costs and expenses (including without limitation reasonable attorney's fees) incurred by any of them in connection with, as a result of, and or due to any actions or inactions or misstatements by MZHCI, its officers, agents, or employees regarding or on behalf of the Company whether as a result of the gross negligence or intentional misconduct in rendering services under this Agreement or otherwise.

#### VIII. SEVERABILITY AND REFORMATION

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future law, invalid or unenforceable provisions were never a part hereof, and the remaining provisions shall remain in full force and shall not be affected by the illegal, invalid, or unenforceable provision, or by its severance; but in any such event this Agreement shall be construed to give effect to the severed provision to the extent legally permissible.

#### IX. NOTICES

Any notices required by this Agreement shall (i) be made in writing and delivered to the party to whom it is addressed by hand delivery, by certified mail, return receipt requested, with adequate postage prepaid, or by courier delivery service (including major overnight delivery companies such as Federal Express and UPS), (ii) be deemed given when received, and (iii) in the case of the Company, be mailed to its principal office at Banzai International, Inc., 435 Ericksen Ave, Suite 250, Bainbridge Island, WA 98110; and in the case of MZHCI, be mailed to MZHCI, LLC, 27422 Aliso Creek Road, Suite 250, Aliso Viejo, CA 92656.

#### X. MISCELLANEOUS

1. This Agreement may not be amended, except by a written instrument signed and delivered by each of the parties hereto.
2. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, and all other agreements relating to the subject matter hereof are hereby superseded.
3. This Agreement may be executed in any number of counterparts, each of which shall constitute an original. Signatures delivered via facsimile or electronic transmission shall be binding upon the party so delivering such a signature, regardless of whether originally executed signatures are subsequently delivered.

In Witness Whereof, the parties have executed this Consulting Agreement as of the day and year first above written.

**AGREED:**

**MZHCI, LLC**

**Banzai International, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Greg Falesnik, CEO

Joe Davy, Founder & CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Page 7 of 7

MZHCI initials: \_\_\_\_\_

Company initials: \_\_\_\_\_

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**FLOOR PRICE REDUCTION AGREEMENT**

This Floor Price Reduction Agreement (this “Agreement”) is entered into as of September 20, 2024, by and between BANZAI INTERNATIONAL, INC. (f/k/a 7GC & Co. Holdings Inc.), a Delaware corporation (the “Company”), and YA II PN, LTD., a Cayman Islands exempt limited partnership managed by Yorkville Advisors Global, LP (“Yorkville”), in respect of (i) that certain Convertible Promissory Note, dated December 14, 2023, made by the Company in favor of Yorkville in the original principal amount of \$2,000,000 (the “December Promissory Note”); (ii) that certain Convertible Promissory Note, dated February 5, 2024, made by the Company in favor of Yorkville in the original principal amount of \$1,000,000 (the “February Promissory Note”); and (iii) that certain Convertible Promissory Note, dated March 26, 2024, made by the Company in favor of Yorkville in the original principal amount of \$1,500,000 (the “March Promissory Note,” together with the December Promissory, the “Outstanding Promissory Notes”). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Promissory Notes.

**RECITALS**

A. As of May 3, 2024 the Company and Yorkville entered into a Debt Repayment Agreement (the “Original Debt Repayment Agreement”) pursuant to which in connection with, and upon completion of, the Company’s registered sale of (a) shares of its Class A common stock, par value \$0.0001 per share (the “Class A Common Stock”), (b) warrants to purchase one share of Class A Common Stock (the “Warrants”), and (c) pre-funded Warrants to purchase shares of Class A Common Stock (the “Pre-Funded Warrants”), in a registered offering pursuant to the Company’s registration statement on Form S-1 (File No. 333-278871), the Company would use \$2,000,000 of the proceeds of the Offering to redeem a portion of the outstanding Principal and Interest under the Promissory Notes; and Yorkville, would, subject to the receipt by Yorkville of the repayment proceeds, not (i) deliver to the Company any Investor Notice (as defined in that certain Standby Equity Purchase Agreement, dated as of December 14, 2023, made by and between Yorkville and the Company (the “SEPA”)) pursuant to the SEPA, or (ii) exercise its right to convert all or any portion of any Principal and Interest outstanding under the Outstanding Promissory Notes pursuant to Section (3)(a) of the Promissory Notes for a period of ninety (90) days.

B. As of May 22, 2024, the Company and Yorkville entered into an Amended and Restated Debt Repayment Agreement (the “Amended and Restated Debt Repayment Agreement”) pursuant to which in connection with, and upon completion of, the Company’s registered sales of (a) shares of its Class A common stock, par value \$0.0001 per share (the “Class A Common Stock”), (b) warrants to purchase one share of Class A Common Stock (the “Warrants”), and (c) pre-funded Warrants to purchase shares of Class A Common Stock (the “Pre-Funded Warrants”), in a registered offering pursuant to the Company’s registration statement on Form S-1 (File No. 333-278871), the Company would use \$750,000 of the proceeds of the Offering to redeem a portion of the outstanding Principal and Interest under the Promissory Notes; and Yorkville would, subject to the receipt by Yorkville of the repayment proceeds, not (i) deliver to the Company any Investor Notice (as defined in that certain Standby Equity Purchase Agreement, dated as of December 14, 2023, made by and between Yorkville and the Company (the “SEPA”)) pursuant to the SEPA, or (ii) exercise its right to convert all or any portion of any Principal and Interest outstanding under the Outstanding Promissory Notes pursuant to Section (3)(a) of the Promissory Notes for a period of ninety (90) days (the “Standstill Period”).

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C. As of August 28, 2024, the Standstill Period had terminated, and Yorkville was no longer restricted from delivering Investor Notices to the company.

D. As of September 19, 2024, the Company completed a reverse merger with a ration of 1-to-50. As a result, the price per share was proportionally increased. The NASDAQ official closing price on September 19, 2024 was \$2.88.

E. The Company and Yorkville desire to amend and restate the Original Debt Repayment Agreement in accordance with the terms set forth herein.

F. As of the date hereof, the February Promissory Note has been fully repaid, with no obligations remaining thereunder, and there remains outstanding under the Outstanding Promissory Notes in the aggregate [\$1,750,000.00] of Principal and no Interest.

#### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Company and Yorkville hereby acknowledges and agrees to the following:

1. Amendment and Restatement. This Agreement amends and restates the Amended and Restated Debt Repayment Agreement in its entirety.
2. Amendment to Floor Price. Upon execution of this agreement, the Floor Price, as described in each of the Outstanding Promissory Notes, shall be adjusted to \$2.00.
3. Extension of Maturity Date. Upon execution of this agreement, the Maturity Date of each of the Promissory Notes shall be extended to the date that is one hundred and twenty (120) days from the data of execution.
4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, and is deemed by the parties to have been made, executed and delivered in, the State of Delaware.
5. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Executed signature pages of this Agreement may be delivered to the parties by electronic transmission, and the parties may rely on any such signature page for all purposes.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_

Name: Joseph Davy

Title: Chief Executive Officer

**YORKVILLE:**

**YA II PN, LTD.**

By: Yorkville Advisors Global, LP

Its: Investment Manager

By: Yorkville Advisors Global II, LLC

Its: General Partner

By: \_\_\_\_\_

Name: Matt Beckman

Title: Member

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**REPAYMENT AGREEMENT**

This Repayment Agreement is being entered into by and between Banzai International, Inc., a Delaware corporation ("Company"), and Cooley LLP ("Payee"), as of September \_\_, 2024 (the "Effective Date"). The Company and Payee are each a "Party" and collectively the "Parties" hereto.

WHEREAS, Payee has previously provided legal services to the Company (the "Services"), but that representation has concluded.

WHEREAS, the Company acknowledges and agrees that it has incurred outstanding fees for such Services in an amount equal to One Million Five Hundred Twenty Three Thousand Twenty Nine and 39/100 Dollars (\$1,523,029.39) (the "Unpaid Fee Amount") and desires to satisfy all unpaid accounts receivable owing from the Company to the Payee for the Services through payment of the Unpaid Fee Amount in accordance with the terms of this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged by both Parties, the Parties agree as follows:

1. The Parties hereby agree that Company shall satisfy the Unpaid Fee Amount by making periodic payments to Payee pursuant to Schedule A attached hereto. As such, Payee agrees to reduce the Unpaid Fee Amount by One Million One Hundred Forty Two Thousand Two Hundred Seventy Two and 04/100 Dollars (\$1,142,272.04) to Four Hundred Thousand Dollars (\$400,000.00)<sup>2</sup> in full accord and satisfaction of the Unpaid Fee Amount; provided that the payments are made by the Company in accordance with Schedule A. In the event that payments are not made in accordance with the Schedule A, Payee retains the right to seek to collect the entire Unpaid Fee Amount.

2. As of the Effective Date Payee agrees that, in exchange for the foregoing, no interest, late fees or penalties of any kind shall accrue on the Unpaid Fee Amount through the date on which the Unpaid Fee Amount is fully satisfied; provided that the payments are made by the Company in accordance with Schedule A. In the event that payments are not made in accordance with the Schedule A, Payee retains the right to seek to collect the entire Unpaid Fee Amount.

3. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

4. Confidentiality. The Company shall hold and shall cause its affiliates and representatives to hold in strict confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, the existence and subject matter of this Repayment Agreement. The Company shall not make any public disclosure or permit any of its representatives or affiliates to make any public disclosure (whether or not in response to an inquiry) of the existence or subject matter of this Repayment Agreement unless previously approved by Payee in writing. In the event that the Company believes that it is required to disclose any such confidential information pursuant to applicable Laws, the Company shall give timely written notice to Payee so that Payee may have an opportunity to obtain a protective order or other appropriate relief.

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<sup>2</sup> Note to Banzai: We obtained approval internally to write off all but \$400k, representing a write off of approximately 74%.

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5. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the day of transmission if sent by confirmed electronic transmission during normal business hours, or if sent outside of business hours, then the business day following the date of transmission by confirmed electronic transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed to the Company or Payee, as set forth below, or at such other address as the Company or the Payee may designate by advance written notice to the other parties hereto.

If to the Company:                   Banzai International, Inc.  
435 Ericksen Ave, Suite 250  
Bainbridge Island, Washington 98110  
Attn: Joe Davy  
Email: joe@banzai.io

If to the Payee:

Cooley LLP  
1700 Seventh Avenue  
Suite 1900  
Seattle, WA 98101  
Attn: Alan Hambleton  
Email ahambelton@cooley.com

**IN WITNESS WHEREOF**, the undersigned have caused this Repayment Agreement to be executed by its duly authorized officers as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_  
Name: Joseph Davy  
Title: Chief Executive Officer

**COOLEY LLP**

By: \_\_\_\_\_  
Name: [ \_\_\_\_\_ ]  
Title: [ \_\_\_\_\_ ]

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Exhibit A

<b>Payment</b>	<b>Date</b>	<b>Amount</b>
Payment 1	1-Oct-24	\$36,300.00
Payment 2	1-Nov-24	\$36,300.00
Payment 3	1-Dec-24	\$36,300.00
Payment 4	1-Jan-25	\$36,300.00
Payment 5	1-Feb-25	\$36,300.00
Payment 6	1-Mar-25	\$36,300.00
Payment 7	1-Apr-25	\$36,300.00
Payment 8	1-May-25	\$36,300.00
Payment 9	1-Jun-25	\$36,300.00
Payment 10	1-Jul-25	\$36,300.00
Payment 11	1-Aug-25	\$36,300.00

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September 19, 2024

Via E-Mail & Regular Mail

Mr. Joe Davy  
 Chief Executive Officer  
 Banzai International, Inc.  
 435 Ericksen Ave, Suite 250  
 Bainbridge Island, WA 98110

**Re: Unpaid Amounts**

Dear Mr. Davy:

Reference is made to the closing of the transaction (the “Closing”) of the business combination agreement between 7GC & Co. Holdings Inc. (“7GC”), and Banzai International, Inc. (“Banzai”) declared effective by the Securities Exchange Commission as of November 13, 2023 and approved by 7GC stockholders at a special meeting held on December 13, 2023, (the “Business Combination”), and the combined business that now operates under the name of Banzai International Inc.

We write with respect to the unpaid balance totaling \$817,400 (“Balance Due”) owed by 7GC which, post Business Combination, operates as Banzai to CohnReznick LLP (“CohnReznick”) for services (the “Services”) rendered pursuant to an engagement letter dated August 25, 2022 (the “Engagement Letter”). Banzai has not disputed the Balance Due. CohnReznick and Banzai hereby agree to settle the Balance Due, upon CohnReznick’s receipt of \$450,000 (the “Settlement Amount”). In consideration of the foregoing, CohnReznick has agreed to not to pursue collection efforts now or at any time in the future, except as otherwise provided herein.

CohnReznick and Banzai have discussed, among other things, the Balance Due and this letter agreement (the “Agreement”) confirms the parties’ understandings:

1. Banzai acknowledges that the amount due to CohnReznick as of September 11, 2024 totals the amount of the Balance Due. Banzai agrees to pay the Settlement Amount to CohnReznick in full accord and final satisfaction of the Balance Due in fifteen (15) equal installments of thirty thousand dollars (\$30,000) (each an “Installment Payment”) paid to CohnReznick via check/ACH payment no later than the 5<sup>th</sup> of each month, beginning on October 1, 2024.
2. In consideration of CohnReznick’s agreement to forbear immediate collection efforts related to the Balance Due, and for other good and valuable consideration, the receipt and sufficiency of which Banzai acknowledges, upon execution of this Agreement, Banzai on behalf of itself and its present and former affiliates, and its and their respective employees, agents, officers, directors, representatives, partners, principals and successors and assigns (“Releasers”), release and forever discharge CohnReznick and its present and former affiliates, and its and their respective employees, agents, officers, directors, representatives, partners, principals and successors and assigns (“CohnReznick Releasees”), of and from any and all claims, suits, damages, liabilities, and/or demands of any kind whatsoever through and including the date of this Agreement whether at law or in equity, known or unknown, asserted or unasserted, arising out of, or related in any way to the services provided by CohnReznick to 7GC and Banzai prior to the date of this Agreement.



CohnReznick is an independent  
 member of Nexia International

CohnReznick LLP | 1301 Avenue of the Americas | 10th Floor | New York, NY 10019-6032  
 Main: 212.297.0400 | Fax: 212.922.0913 | [cohnreznick.com](http://cohnreznick.com)

Mr. Joe Davy  
September 19, 2024  
Page 2 of 3

3. Upon the full and timely receipt of the Settlement Amount in accordance with paragraph 1, CohnReznick releases and forever discharges Banzai from any and all claims, suits, damages, liabilities, and/or demands related to the Balance Due.
  4. In the event Banzai fails to make a timely Installment Payment under this Agreement, the unpaid portion of the Balance Due shall immediately become due and payable by Banzai.
  5. The parties agree to keep the terms of this Agreement confidential except to the extent (a) they are required to be disclosed to enforce its terms hereof or (b) they are required to be disclosed pursuant to law, regulation or for tax purposes. In addition, Releasors agree not to disparage the CohnReznick Releasees with respect to the subject matter of this Agreement.
  6. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior or other negotiations, representations, understandings and agreements by or between the parties, expressed or implied with respect to the subject matter hereof.
  7. This Agreement may not be modified orally, and no alleged waiver of this Agreement shall have any force or effect, unless set forth in writing and signed by both parties. No course of dealing and no delay on the part of CohnReznick in exercising any right will operate as a waiver thereof or otherwise prejudice its rights, powers, or remedies.
  8. This Agreement shall be binding upon the parties hereto and their respective successors, assigns, heirs and representatives. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law principles. Any dispute, controversy or claim arising out of, relating to or in connection with this Agreement (including its formation, performance, interpretation, breach, termination, or validity) or any issues related to the Services shall be resolved in accordance with the Dispute Resolution clause set forth in the Engagement Letter.
  9. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. This Agreement may be transmitted in electronic format and shall not be denied legal effect because it was formed or transmitted, in whole or in part, by electronic means. An electronic, digital or electronically transmitted signature (collectively, "Electronic Signature") will be deemed an acceptable original for the purposes of consummating this Agreement and binding the party providing such Electronic Signature.
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Mr. Joe Davy  
September 19, 2024  
Page 3 of 3

If the foregoing accurately reflects our agreement, please sign and date this Agreement and return to me one fully executed original copy. The undersigned represents and warrants that he/she is authorized to bind the entity identified below and is in fact binding such entity to the terms of this Agreement.

Sincerely,

Vikram Devanga

Principal

Agreed to and Accepted by:

**BANZAI INTERNATIONAL INC.**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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## REPAYMENT AGREEMENT

This Repayment Agreement is being entered into by and between Banzai International, Inc., a Delaware corporation ("Company"), and Sidley Austin LLP ("Payee"), as of September [ ], 2024 (the "Effective Date"). The Company and Payee are each a "Party" and collectively the "Parties" hereto.

WHEREAS, Payee has previously provided legal services to the Company (the "Services"), but that representation has concluded.

WHEREAS, the Company acknowledges and agrees that it has incurred outstanding fees for such Services in an amount equal to Four Million Eight Hundred Fifteen Thousand Nine Hundred Seventy Nine and 37/100 Dollars (\$4,815,979.37) (the "Unpaid Fee Amount") and desires to satisfy all unpaid accounts receivable owing from the Company to the Payee for the Services through payment of the Unpaid Fee Amount in accordance with the terms of this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged by both Parties, the Parties agree as follows:

1. Repayment and Unpaid Fee Amount Reduction. The Parties hereby agree that Company shall satisfy the Unpaid Fee Amount by making periodic payments to Payee pursuant to Schedule A attached hereto. Upon receipt of each payment in the amount and on the date set forth on Schedule A, Payee agrees to apply each such payment to balance of the Unpaid Fee Amount on a 2 for 1 basis, such that for every one dollar (\$1.00) paid by Company, Payee shall reduce the Unpaid Fee Amount by two dollars (\$2.00) until Company has paid Payee a total of One Million Six Hundred Five Thousand Three Hundred Twenty Six and no/100 Dollars (\$1,605,326.00) in full accord and satisfaction of the Unpaid Fee Amount.

2. No Penalties. As of the Effective Date Payee agrees that, in exchange for the foregoing, no interest, late fees or penalties of any kind shall accrue on the Unpaid Fee Amount through the date on which the Unpaid Fee Amount is fully satisfied in accordance with the terms hereof.

3. Governing Terms. Other than as specifically set forth herein, this Repayment Agreement shall be governed by the post-termination provisions of Payee's engagement letter with the Company, attached hereto as Exhibit A.

4. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

5. Confidentiality. The Company shall hold and shall cause its affiliates and representatives to hold in strict confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, the existence and subject matter of this Repayment Agreement. The Company shall not make any public disclosure or permit any of its representatives or affiliates to make any public disclosure (whether or not in response to an inquiry) of the existence or subject matter of this Repayment Agreement unless previously approved by Payee in writing. In the event that the Company believes that it is required to disclose any such confidential information pursuant to applicable Laws, the Company shall give timely written notice to Payee so that Payee may have an opportunity to obtain a protective order or other appropriate relief.

6. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the day of transmission if sent by confirmed electronic transmission during normal business hours, or if sent outside of business hours, then the business day following the date of transmission by confirmed electronic transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed to the Company or Payee, as set forth below, or at such other address as the Company or the Payee may designate by advance written notice to the other parties hereto.

If to the Company:           Banzai International, Inc.  
435 Ericksen Ave, Suite 250  
Bainbridge Island, Washington 98110  
Attn: Joe Davy

Email: joe@banzai.io

If to the Payee:           SIDLEY AUSTIN LLP  
1999 Avenue of the Stars  
17th Floor  
Los Angeles, CA 90067  
Attn: Joshua G. DuClos

Email: jduclos@sidley.com

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**IN WITNESS WHEREOF**, the undersigned have caused this Repayment Agreement to be executed by its duly authorized officers as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_

Name: Joseph Davy

Title: Chief Executive Officer

SIDLEY LLP

By: \_\_\_\_\_

Name: Joshua DuClos

Title: Partner

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Exhibit A

Capital Raised in Next Registered Offering	\$3,000,000.00 or Greater			\$5,000,000.00 or Greater			\$7,000,000.00 or Greater		
	Payment	Reduction	Remaining	Payment	Reduction	Remaining	Payment	Reduction	Remaining
<i>Balance at closing</i>			\$ 4,815,979.37			\$ 4,815,979.37			\$ 4,815,979.37
Payment at Closing	\$ (300,000.00)	\$ (600,000.00)	\$ 3,915,979.37	\$ (600,000.00)	\$ (1,200,000.00)	\$ 3,015,979.37	\$ (1,605,326.46)	\$ (3,210,652.91)	\$ -
Paymnet #1	(108,777.20)	\$ (217,554.41)	\$ 3,589,647.76	(83,777.20)	\$ (167,554.41)	\$ 2,764,647.76	-	-	-
Paymnet #2	(108,777.20)	\$ (217,554.41)	\$ 3,263,316.14	(83,777.20)	\$ (167,554.41)	\$ 2,513,316.14	-	-	-
Paymnet #3	(108,777.20)	\$ (217,554.41)	\$ 2,936,984.53	(83,777.20)	\$ (167,554.41)	\$ 2,261,984.53	-	-	-
Paymnet #4	(108,777.20)	\$ (217,554.41)	\$ 2,610,652.91	(83,777.20)	\$ (167,554.41)	\$ 2,010,652.91	-	-	-
Paymnet #5	(108,777.20)	\$ (217,554.41)	\$ 2,284,321.30	(83,777.20)	\$ (167,554.41)	\$ 1,759,321.30	-	-	-
Paymnet #6	(108,777.20)	\$ (217,554.41)	\$ 1,957,989.69	(83,777.20)	\$ (167,554.41)	\$ 1,507,989.69	-	-	-
Paymnet #7	(108,777.20)	\$ (217,554.41)	\$ 1,631,658.07	(83,777.20)	\$ (167,554.41)	\$ 1,256,658.07	-	-	-
Paymnet #8	(108,777.20)	\$ (217,554.41)	\$ 1,305,326.46	(83,777.20)	\$ (167,554.41)	\$ 1,005,326.46	-	-	-
Paymnet #9	(108,777.20)	\$ (217,554.41)	\$ 978,994.84	(83,777.20)	\$ (167,554.41)	\$ 753,994.84	-	-	-
Paymnet #10	(108,777.20)	\$ (217,554.41)	\$ 652,663.23	(83,777.20)	\$ (167,554.41)	\$ 502,663.23	-	-	-
Paymnet #11	(108,777.20)	\$ (217,554.41)	\$ 326,331.61	(83,777.20)	\$ (167,554.41)	\$ 251,331.61	-	-	-
Paymnet #12	(108,777.20)	\$ (217,554.41)	\$ -	(83,777.20)	\$ (167,554.41)	\$ (0.00)	-	-	-
Total installment payments	\$ (1,605,326.46)	(3,210,652.91)		\$ (1,605,326.46)	(3,210,652.91)		\$ -		

**REPAYMENT AGREEMENT**

This Repayment Agreement is being entered into by and between Banzai International, Inc., a Delaware corporation ("Company"), and Donnelley Financial LLC ("Payee"), as of September 13, 2024 (the "Effective Date"). The Company and Payee are each a "Party" and collectively the "Parties" hereto.

WHEREAS, Payee has previously provided various services to the Company (the "Services"), but that representation has concluded.

WHEREAS, the Company acknowledges and agrees that it has incurred outstanding past due fees for such Services in an amount equal to One Million Seventy Two Thousand One Hundred Forty Seven and 75/100 Dollars (\$1,072,147.75) (the "Total Unpaid Fee Amount") and desires to satisfy all unpaid accounts receivable owing from the Company to the Payee for the Services through payment of the Unpaid Fee Amount in accordance with the terms of this Agreement.

**NOW THEREFORE**, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged by both Parties, the Parties agree as follows:

1. The Parties hereby agree that Company shall satisfy the Unpaid Fee Amount by making periodic payments to Payee pursuant to Schedule A attached hereto. As such, Payee agrees to reduce the Unpaid Fee Amount by Seven Hundred Fifteen Thousand One Hundred Twenty Two and 55/100 Dollars (\$715,122.55) to Three Hundred Fifty Seven Thousand Twenty Five and 20/100 Dollars (the "Reduced Unpaid Fee Amount") in full accord and satisfaction of the Unpaid Fee Amount, subject to the exceptions listed below.

2. As of the Effective Date Payee agrees that, in exchange for the foregoing, and subject to the exceptions below, no interest, late fees or penalties of any kind shall accrue on the Unpaid Fee Amount through the date on which the Unpaid Fee Amount is fully satisfied.

3. Exceptions. The following events shall result in the Total Unpaid Fee Amount (less any Reduced Unpaid Fee Amount payments received hereunder) becoming immediately due and payable to Payee:

- a. **Default.** Upon a Default (as defined below), Payee shall be immediately entitled to exercise all of its legal and equitable rights and remedies without further notice to Company. The following shall constitute a default ("Default") and event of Default under this Agreement: (a) failure by Company to timely make any of the payments set forth in Paragraph 1, Schedule A or Paragraph 4, including the Reduced Unpaid Fee Amount and fees for any New Services as defined below; (b) failure by Company to make future payments due to Payee for any other work performed by Payee for Company; and (c) the dissolution or termination of Company's existence as a going business, the appointment of a receiver for any part of Company's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company.

4. New Services. If Company Customer indicates that it wishes to purchase new and/or additional services from Payee (the "New Services"), fees for those services do not form a part of the Total Unpaid Fee Amount or Reduced Unpaid Fee Amount. Should Payee agree to provide any New Services, timely payments for the New Services will be made in accordance with the applicable order or statement of work for such New Services.

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3. Governing Terms. Other than as specifically set forth herein, this Repayment Agreement shall be governed by the post-termination provisions of Payee's engagement letter with the Company, attached hereto as Exhibit A.

4. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

5. Confidentiality. The Company shall hold and shall cause its affiliates and representatives to hold in strict confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, the existence and subject matter of this Repayment Agreement. The Company shall not make any public disclosure or permit any of its representatives or affiliates to make any public disclosure (whether or not in response to an inquiry) of the existence or subject matter of this Repayment Agreement unless previously approved by Payee in writing. In the event that the Company believes that it is required to disclose any such confidential information pursuant to applicable Laws, the Company shall give timely written notice to Payee so that Payee may have an opportunity to obtain a protective order or other appropriate relief.

6. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the day of transmission if sent by confirmed electronic transmission during normal business hours, or if sent outside of business hours, then the business day following the date of transmission by confirmed electronic transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed to the Company or Payee, as set forth below, or at such other address as the Company or the Payee may designate by advance written notice to the other parties hereto.

If to the  
Company:           Banzai International, Inc.  
                          435 Ericksen Ave, Suite 250  
                          Bainbridge Island, Washington 98110  
                          Attn: Joe Davy  
                          Email: joe@banzai.io

If to the Payee:  
  
                          Donnelley Financial LLC  
                          35 West Wacker Drive  
                          Chicago, IL 60601  
                          Attn: James Obiniana  
                          Email: james.d.obiniana@dfinsolutions.com

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**IN WITNESS WHEREOF**, the undersigned have caused this Repayment Agreement to be executed by its duly authorized officers as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_  
Name: Joseph Davy  
Title: Chief Executive Officer

**DONNELLEY FINANCIAL LLC**

By: \_\_\_\_\_  
Name: [ ]  
Title: [ ]

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Exhibit A

<b>Payment</b>	<b>Date</b>	<b>Amount</b>
Payment 1	October 1, 2024	\$ 45,000.00
Payment 2	November 1, 2024	\$ 28,365.93
Payment 3	December 1, 2024	\$ 28,365.93
Payment 4	January 1, 2025	\$ 28,365.93
Payment 5	February 1, 2025	\$ 28,365.93
Payment 6	March 1, 2025	\$ 28,365.93
Payment 7	April 1, 2025	\$ 28,365.93
Payment 8	May 1, 2025	\$ 28,365.93
Payment 9	June 1, 2025	\$ 28,365.93
Payment 10	July 1, 2025	\$ 28,365.93
Payment 11	August 1, 2025	\$ 28,365.93
Payment 12	September 1, 2025	\$ 28,365.93

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## REPAYMENT AGREEMENT

This Repayment Agreement is being entered into by and between Banzai International, Inc., a Delaware corporation ("Company"), and Verista Partners, Inc., aka Winterberry Group, ("Payee"), as of [●] (the "Effective Date"). The Company and Payee are each a "Party" and collectively the "Parties" hereto.

WHEREAS, Payee has previously provided legal services to the Company (the "Services"), but that representation has concluded.

WHEREAS, the Company acknowledges and agrees that it has incurred outstanding fees for such Services in an amount equal to One Hundred Ninety Six Thousand Six Hundred Sixty Six Dollars (\$196,666.00) (the "Unpaid Fee Amount") and desires to satisfy all unpaid accounts receivable owing from the Company to the Payee for the Services through payment of the Unpaid Fee Amount in accordance with the terms of this Agreement.

WHEREAS, on July 31, 2024, the Company filed a registration statement on Form S-1 in anticipation of completing a registered offering (the "Registered Offering") of shares of Class A Common Stock, par value \$0.0001 of the Company (the "Common Stock").

**NOW THEREFORE**, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged by both Parties, the Parties agree as follows:

1. The Company may satisfy the Unpaid Fee Amount by issuing to Payee, on or before the earlier of (i) ninety (90) days from the closing date of the Registered Offering, and (ii) five (5) Trading Days following the date on which (a) the Common Stock to be issued in satisfaction of the Unpaid Fee Amount has been registered and (b) any investor who entered into a share purchase agreement in connection with the Registered Offering ceases to hold shares of Common Stock (the earlier of (a) and (b), the "Deadline"), unrestricted, freely-trading, registered shares of Common Stock. The Company shall credit such aggregate number of shares of Common Stock to which the Payee shall be entitled (the "Payment Shares") to the Payee's Broker's balance account with the Depository Trust Company's ("DTC") Fast Automated Securities Transfer Program through its Deposit Withdrawal Agent Commission system. The Company will pay any and all legal, deposit and transfer agent fees that may be incurred or charged in connection with the issuance of the Payment Shares. The number of Payment Shares to be issued on or before the Deadline pursuant to this Section 1 shall be determined by dividing the Unpaid Fee Amount by the greater of: (i) the VWAP for the five Trading Days immediately preceding the Payment Due Date; and (ii) the "Minimum Price" as defined under Nasdaq Rule 5635(d).

a. Conditions to Share Issuances. The ability of the Company to satisfy the Unpaid Fee Amount through the issuance of Payment Shares is conditioned upon satisfaction of each of the following:

- i. The Registration Statement shall be effective in accordance with the provisions set forth in Section 1(d) below and the Payment Shares are issued to Payee without restrictive legends.
  - ii. The Payment Shares shall not be subject to any contractual lock-ups.
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iii. Trading in the Common Stock shall not have been suspended by the Securities and Exchange Commission, the Principal Market or FINRA, and the Company shall not have received any uncured notice of non-compliance or delisting relating to the listing or quotation of the Common Stock on the Principal Market (unless, prior to such date certain, the Common Stock is listed or quoted on any subsequent Principal Market), nor shall there have been imposed any suspension of, or restriction on, accepting additional deposits of the Common Stock, electronic trading or book-entry services by DTC with respect to the Common Stock that is continuing, the Company shall not have received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the Common Stock, electronic trading or book-entry services by DTC with respect to the Common Stock is being imposed or is contemplated (unless, prior to such suspension or restriction, DTC shall have notified the Company in writing that DTC has determined not to impose any such suspension or restriction).

b. Definitions. For purposes of this Section 1, the following terms shall have the meanings set forth below:

“Primary Market” means any of The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market, and any successor to any of the foregoing markets or exchanges.

“Trading Day” shall mean a day on which the Common Stock is quoted or traded on a primary market on which the Common Stock is then quoted or listed; provided, that in the event that the Common Stock is not listed or quoted, then Trading Day shall mean a business day.

“VWAP” shall mean for any Trading Day, the daily volume weighted average price of the Common Stock for such Trading Day on the principal market during regular trading hours as reported by Bloomberg L.P. through its “AQR” function.

c. Registration Right. The Company hereby covenants and agrees to include, in the next Registration Statement on Form S-1 or Registration Statement on Form S-3 that it files with the Commission for the public resale of shares of Common Stock (such Registration Statement, together with any prospectus, prospectus supplement or amendment thereto, the “Registration Statement”) no less than 3,300,000 shares of Common Stock (subject to adjustment for any stock split, reverse stock split or the like) which may be issuable to the Payee under this Agreement (the “Registrable Securities”). Company shall use reasonable best efforts to cause the Registration Statement to become effective as promptly as reasonably practicable. Following effectiveness of the Registration Statement, Company shall use reasonable best efforts to keep the Registration Statement continuously effective, and not subject to any stop order, injunction or other similar order or requirement of the Commission, until the date that all Registrable Securities covered by the Registration Statement shall be disposed of pursuant to the Registration Statement.

d. Authorized Shares. Company covenants that during the period the Unpaid Fee Amount remains outstanding, Company will reserve from its authorized and unissued Common Stock 3,300,000 shares (subject to adjustment for any stock split, reverse stock split or the like) for future issuance in accordance with the terms of this Agreement. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Company shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock which may be issued under the terms of the Agreement, the Company shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for issuance under the terms of this Agreement. The Company acknowledges that it will irrevocably instruct its transfer agent to reserve the Common Stock issuable under the terms of this Agreement.

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2. Failure to Issue Payment Shares. In the event the Company shall fail to issue the Payment Shares by the Deadline (an “Nonpayment Event”), (a) the Unpaid Fee Amount shall become immediately due and payable in cash, and (b) the Payee may pursue all rights and remedies available hereunder. Payee enters into this Agreement with a full reservation of, and without prejudice to, all rights and claims it has or may have, and/or that may be asserted by Payee with respect to the Unpaid Fee Amount. Only if the Payment Shares are issued to Payee in accordance with the terms of this Agreement, by no later than the Deadline, Payee will accept the Payment Shares as satisfaction in full of the Unpaid Fee Amount. Notwithstanding anything herein to the contrary, from and during the continuation of a Nonpayment Event under Section 2 of this Agreement, interest shall accrue on the outstanding portion of the Unpaid Fee Amount at a per annum rate equal to eighteen percent (18%) per annum until such default has been cured. Subject to Section 1, the Unpaid Fee Amount shall be paid to Payee in lawful money of the United States of America by wire transfer of immediately available funds to the account set forth in the wire instructions provided to the Company on the invoices delivered for the Services. If any payment is due on a Saturday, Sunday or a bank or legal holiday, such payment shall be made on the next succeeding business day.

3. Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH THEY MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS AGREEMENT. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.

4. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

5. Exercise of Remedies. No delay or omission on the part of Payee in the exercise of any right or remedy under this Agreement shall operate as a waiver thereof, and no partial exercise of any right or remedy, acceptance of a past due installment or other indulgences granted from time to time shall be construed as a novation of this Agreement or precludes other or further exercise thereof or the exercise of any other rights or remedy.

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6. Amendment; Third Party Beneficiary. Any provision of this Agreement may be amended or waived only with a written instrument duly executed by the Company and the Payee. There are no third party beneficiaries of this Agreement.

7. Representation by Separate Counsel. Payee previously represented the Company as legal counsel in certain matters, but that representation has concluded. Payee, its partners, and its attorneys are not advising and have not advised the Company regarding the issues out of which this Agreement arises or whether to enter into this Agreement or any other agreement with Payee or otherwise in any way in connection with the subject matter of this Agreement. The Company has been given the opportunity to obtain its own representation, and Payee has specifically recommended that the Company receive its own advice in connection with the consideration, negotiation, and drafting of this Agreement, including without limitation the advisability of whether to enter into this Agreement or any other agreement with Payee regarding the subject matter of this Agreement.

8. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the day of transmission if sent by confirmed electronic transmission during normal business hours, or if sent outside of business hours, then the business day following the date of transmission by confirmed electronic transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed to the Company or Payee, as set forth below, or at such other address as the Company or the Payee may designate by advance written notice to the other parties hereto.

If to the Company:  
Banzai International, Inc.  
435 Ericksen Ave, Suite 250  
Bainbridge Island, Washington 98110  
Attn: Joe Davy  
Email: joe@banzai.io

If to the Payee:

Verista Partners, Inc.  
[insert address]

Attn:  
Email:

9. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware. The Company and Payee each expressly consent to personal jurisdiction to the state and/or federal courts in Delaware in any dispute involving this Agreement. Service of any pleadings or judgments other than original process shall be affected by email, U.S. Mail, overnight couriers or other commercially acceptable means of notice.

[Signature page follows]

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**IN WITNESS WHEREOF**, the undersigned have caused this Repayment Agreement to be executed by its duly authorized officers as of the date first written above.

**COMPANY:**

**BANZAI INTERNATIONAL, INC.**

By: \_\_\_\_\_

Name: Joseph Davy

Title: Chief Executive Officer

**VERISTA PARTNERS, LLC**

By: \_\_\_\_\_

Name:

Title:

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CONSULTING AGREEMENT

This consulting agreement (“Agreement”) is entered into as of September 26, 2024 (the “Effective Date”) between Hudson Global Ventures, LLC, a Nevada limited liability company (“Consultant”) and Banzai International INC., a Delaware corporation (“COMPANY”) (collectively, the “Parties”).

RECITAL

A. WHEREAS, COMPANY deems it to be in its best interest to retain Consultant to render to the COMPANY such services as may be needed; and

B. WHEREAS, the Parties agree, after having a complete understanding of the services desired and the services to be provided, that the COMPANY desires to retain Consultant to provide such assistance through its services for the COMPANY, and Consultant is willing to provide such services to the COMPANY; and

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants herein contained, the Parties hereby agree as follows:

1. Duties and Consultant’s Fee.

(a) Term. The appointment was effective as of September 26, 2024 and shall automatically terminate on October 26, 2024.

(b) Duties. The Consultant shall provide the COMPANY with business advisory services, guidance on growth strategies, and networking with its contacts on a non-exclusive basis for general business purposes. The Consultant will comply in all respects with all applicable federal and state securities laws, rules and regulations in performing its duties hereunder. The Consultant is not required to work a set number of hours or attend COMPANY’s meetings. The Consultant is in control of their own business opportunities, permitted to conduct business from locations of the Consultant’s choice, responsible to pay all of the Consultant’s costs of doing business, including but not limited to health insurance, dental insurance, workers compensation, off premises liability, and any other expenses, and responsible to timely remit all federal and state withholding taxes due on commissions earned, Social Security taxes, Medicare taxes, unemployment taxes, and all other applicable taxes. The Consultant is not now, and shall never become, an affiliate of the COMPANY in any manner.

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(c) Consultant's Fee; Legends. COMPANY shall issue 45,000 shares of the COMPANY's common stock (the "Shares") to Consultant on the Effective Date in exchange for Consultant's services as described herein. The Shares are earned in full as of the Effective Date. The issuance of the Shares is duly authorized and will be validly issued, fully paid and non-assessable, and free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the COMPANY and will not impose personal liability upon the holder thereof. The cost basis of the shares are .0001(par value). In connection with this Agreement and the issuance of the Shares, the COMPANY represents and warrants to Consultant that as of the date hereof the Class A common stock of the COMPANY, \$0.0001 per share (the "Common Stock"), is not a "penny stock" as defined in SEC Rule 240.3a51-1 (17 CFR § 240.3a51-1). If, at any time after the date of this Agreement, the Common Stock would be deemed to be a "penny stock" as defined in SEC Rule 240.3a51-1 (the "Trigger Date"), then the remaining Shares held by Consultant as of the Trigger Date (the "Remaining Shares") shall automatically be deemed canceled and extinguished in the entirety as of the Trigger Date, and Consultant shall no longer have any rights to such Remaining Shares as of the Trigger Date. The COMPANY shall, on the Trigger Date, (i) provide to the Consultant and the Company's transfer agent all documentation required by the COMPANY's transfer agent for the cancellation of the Remaining Shares and (ii) pay to Consultant an amount in cash equal to the number of Remaining Shares multiplied by the closing price of the Common Stock on the date of this Agreement as reported by Nasdaq (the "Redemption Amount"). For the avoidance of doubt, Consultant shall no longer have any rights to the Remaining Shares as of the Trigger Date, except the right to enforce the COMPANY's payment of the Redemption Amount in cash. The Consultant understands that, until such time as the Shares have been registered under the Securities Act of 1933, as amended, or may be sold pursuant to Rule 144, Rule 144A, Regulation S, or other applicable exemption without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Shares may bear a restrictive legend in substantially the following form:

**"NEITHER THE ISSUANCE NOR SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL MAY BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144, RULE 144A, REGULATION S, OR OTHER APPLICABLE EXEMPTION UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."**

2. No Obligation. Consultant agrees that it is not an agent of COMPANY and may not bind or obligate COMPANY. Neither COMPANY nor Consultant is obligated to deal exclusively with the other.

3. Status of Consultant. Consultant is an independent contractor and is not and shall not be considered COMPANY's agent for any purposes whatsoever. Consultant is not granted any right or authority to assume or create any obligations or liability, express or implied, on COMPANY's behalf, or to negotiate on behalf of or bind COMPANY in any manner whatsoever.

4. Severable Provisions. The provisions of this Agreement are severable and if any one or more of its provisions is determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

5. Binding Agreement. The rights and obligations of COMPANY under this Agreement shall inure to the benefit of, and shall be binding on, COMPANY and its successors and assigns, and the rights and obligations (other than obligations to perform services) of Consultant under this Agreement shall inure to the benefit of, and shall be binding upon, Consultant and his heirs, personal and legal representatives, executors, successors and administrators.

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6. Notices. All notices and other communications pursuant to this Agreement shall be in writing and shall be deemed to be sufficient if contained in a written instrument and shall be deemed given if delivered personally, telecopied, emailed, or sent by nationally-recognized, overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the Parties at their respective addresses (or at such other address for a party as shall be specified by like notice). All such notices and other communications shall be deemed to have been received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of a telecopy, when the party receiving such telecopy shall have confirmed receipt of the communication, (iii) in the case of delivery by nationally-recognized, overnight courier, on the Business Day following dispatch, and (iv) in the case of mailing, on the third Business Day following such mailing. For purposes of this Agreement, "Business Day" shall mean any day, other than a Saturday, Sunday or national legal holiday.

7. Waiver. The failure of either party to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision as to any future violation thereof, or prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

8. Miscellaneous. This Agreement may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

9. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Delaware. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the Court of Chancery of the State of Delaware or, to the extent such court does not have subject matter jurisdiction, the United States District Court for the District of Delaware or, to the extent that neither of the foregoing courts has jurisdiction, the Superior Court of the State of Delaware. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such party at the address in effect for notices to it under this agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. In the event Consultant is subject to any action, claim, or proceeding resulting from this Agreement, the COMPANY agrees to indemnify and hold harmless the Consultant from any such action, claim, or proceeding. Indemnification shall include all fees, costs and reasonable attorneys' fees that the Consultant may incur. In claiming indemnification hereunder, the Consultant shall provide the COMPANY written notice of any claim that the Consultant reasonably believes falls within the scope of this Agreement. The Consultant shall control such defense and all negotiations relative to the settlement of any such claim. Any settlement intended to bind the Consultant shall not be final without the Consultant's written consent. Any liability of the Consultant and its officers, directors, controlling persons, employees or agents under this Agreement shall not exceed the amount of fees actually paid to Consultant by the Company pursuant this Agreement.

10. Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.

[signature page to follow]

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IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

COMPANY

Banzai International Inc.

By: \_\_\_\_\_  
Name: Joseph Davy  
Title: Chief Executive Officer  
Address for Notices  
E-Mail: Joe@Banzai.io

CONSULTANT

HUDSON GLOBAL VENTURES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address for Notices  
E-Mail: info@hudsonventuresllc.com

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Banzai International, Inc. on Form S-1 of our report dated April 1, 2024, except for Note 3 as to which the date is September 19, 2024, which includes an explanatory paragraph as to Banzai International, Inc.'s ability to continue as a going concern with respect to our audits of the consolidated financial statements of Banzai International, Inc. as of December 31, 2023 and 2022 and for the years ended, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP  
Marlton, NJ  
October 16, 2024

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## Calculation of Filing Fee Table

Form S-1  
(Form Type)Banzai International, Inc.  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered (1)	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid in Connection with Unsold Securities to be Carried Forward
<b>Newly Registered Securities</b>											
Equity	Class A common stock, par value \$0.0001 per share (“Class A Common Stock”)	Rule 457(c)	877,372	\$ 3.70(2)	\$3,246,276.40	0.00015310	\$ 497.01	-	-	-	-
<b>Fees Previously Paid</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
<b>Carry Forward Securities</b>											
<b>Carry Forward Securities</b>	N/A	N/A	N/A		N/A			N/A	N/A	N/A	N/A
<b>Total Offering Amounts</b>					\$3,246,276.40	0.00015310	\$ 497.01				
<b>Total Fees Previously Paid</b>							\$ -				
<b>Total Fee Offsets</b>							\$ -				
<b>Net Fee Due</b>							\$ 497.01				

- (1) Pursuant to Rule 416(a) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), this Registration Statement shall also cover any additional shares of Class A common stock (“Class A Common Stock”) of Banzai International, Inc. (the “Registrant”) that become issuable with respect to the securities identified in the above table by reason of any stock dividend, stock split, recapitalization or other transaction effected without the Registrant’s receipt of consideration that results in an increase in the number of outstanding shares of Registrant’s Class A Common Stock.
- (2) Calculated in accordance with Rule 457(c) under the Securities Act of 1933, as amended (the “Securities Act”), based on the average of the high and low prices of the Class A Common Stock on the Nasdaq Stock Market LLC (“Nasdaq”) on October 14, 2024 (\$3.70 per Class A Common Share).