

IZEA, Inc.
Form 10-Q
May 14, 2015
Table of Contents

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

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

For the transition period from _____ to _____

Commission File No.: 333-167960

IZEA, INC.
(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	37-1530765 (I.R.S. Employer Identification No.)
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480 N. Orlando Avenue, Suite 200 Winter Park, FL (Address of principal executive offices)	32789 (Zip Code)
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Registrant's telephone number, including area code: (407) 674-6911

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 11, 2015, there were 57,697,666 shares of our common stock outstanding.

Table of Contents

Quarterly Report on Form 10-Q for the period ended March 31, 2015

Table of Contents

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets as of March 31, 2015 (unaudited) and December 31, 2014</u>	<u>3</u>
<u>Unaudited Consolidated Statements of Operations for the three months ended March 31, 2015 and 2014</u>	<u>4</u>
<u>Unaudited Consolidated Statement of Stockholders' Equity for the three months ended March 31, 2015</u>	<u>5</u>
<u>Unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2015 and 2014</u>	<u>6</u>
<u>Notes to the Unaudited Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>21</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>28</u>
<u>Item 4. Controls and Procedures</u>	<u>28</u>
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	<u>30</u>
<u>Item 1A. Risk Factors</u>	<u>30</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>32</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>32</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>32</u>
<u>Item 5. Other Information</u>	<u>32</u>
<u>Item 6. Exhibits</u>	<u>33</u>
<u>Signatures</u>	<u>35</u>

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

IZEA, Inc.

Consolidated Balance Sheets

	March 31, 2015 (Unaudited)	December 31, 2014
Assets		
Current:		
Cash and cash equivalents	\$3,960,219	\$6,521,930
Accounts receivable	2,525,961	2,156,378
Prepaid expenses	305,341	190,604
Other current assets	12,056	61,424
Total current assets	6,803,577	8,930,336
Property and equipment, net of accumulated depreciation of \$287,287 and \$239,521	597,332	588,919
Goodwill	2,826,540	—
Intangible assets, net of accumulated amortization of \$98,833 and \$0	2,271,167	—
Software development costs, net of accumulated amortization of \$113,775 and \$85,331	455,100	483,544
Security deposits	119,194	100,641
Total assets	\$13,072,910	\$10,103,440
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$836,823	\$310,611
Accrued expenses	481,355	394,617
Unearned revenue	1,619,427	1,767,074
Deferred rent	2,994	—
Current portion of capital lease obligations	47,075	54,376
Current portion of acquisition costs payable	1,055,489	—
Total current liabilities	4,043,163	2,526,678
Deferred rent	113,985	106,531
Capital lease obligations, less current portion	—	7,291
Acquisition costs payable, less current portion	3,062,588	—
Warrant liability	5,709,416	3,203,465
Total liabilities	12,929,152	5,843,965
Stockholders' equity:		
Common stock, \$.0001 par value; 200,000,000 shares authorized; 57,697,666 issued and outstanding	5,770	5,770
Additional paid-in capital	27,350,250	27,195,055
Accumulated deficit	(27,212,262)	(22,941,350)
Total stockholders' equity	143,758	4,259,475
Total liabilities and stockholders' equity	\$13,072,910	\$10,103,440

See accompanying notes to the unaudited consolidated financial statements.

3

Table of Contents

IZEA, Inc.

Unaudited Consolidated Statements of Operations

	Three Months Ended March 31,	
	2015	2014
Revenue	\$4,135,494	\$1,957,040
Cost of sales	2,441,491	649,533
Gross profit	1,694,003	1,307,507
Operating expenses:		
General and administrative	1,860,514	1,092,221
Sales and marketing	1,581,487	912,786
Total operating expenses	3,442,001	2,005,007
Loss from operations	(1,747,998)	(697,500)
Other income (expense):		
Interest expense	(18,770)	(9,017)
Change in fair value of derivatives, net	(2,505,951)	135,601
Other income (expense), net	1,807	1,605
Total other income (expense)	(2,522,914)	128,189
Net loss	\$(4,270,912)	\$(569,311)
Weighted average common shares outstanding – basic	57,697,666	37,135,738
Basic loss per common share	\$(0.07)	\$(0.02)
Weighted average common shares outstanding – diluted	57,697,666	37,135,738
Diluted loss per common share	\$(0.07)	\$(0.02)

See accompanying notes to the unaudited consolidated financial statements.

4

Table of Contents

IZEA, Inc.