

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 29, 2024

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

Nevada

(State or other jurisdiction of
incorporation or organization)

000-13215

(Commission File Number)

30-0050402

IRS Employer
Identification No.)

**321 Sixth Street
San Antonio, TX**

(Address of Principal Executive Offices)

78215

(Zip Code)

(805) 964-3313

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter)

Emerging Growth Company

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

Item 1.01 Entry into a Material Definitive Agreement.

On January 29, 2024, AiAdvertising, Inc. (the “Company”) entered into amendment no. 1 (the “Amendment”) to that certain securities purchase agreement (the “Purchase Agreement”) with Hexagon Partners, Ltd., (the “Purchaser”), pursuant to which the Company and the Purchaser amended the terms of the purchase and sale of additional shares of the Company’s Series I Preferred Stock (the “Series I Preferred Stock”). The Amendment provides for a ten (10) month option from the initial closing of the Purchase Agreement, to purchase (i) a second tranche consisting of up to 892,857 additional shares of Preferred Stock, at a price equal to \$2.80 per share (the “Tranche B Option”), and (ii) a third tranche consisting of up to 168,269 additional shares of Preferred Stock, at a price equal to \$10.40 per share. On January 30, 2024, the Purchaser exercised the Tranche B Option and the Company sold to the Purchaser 892,857 shares of Series I Preferred Stock at price of \$2.80 per share.

The Amendment also provided the Purchaser with certain rights of participation in a future financing transaction by the Company.

The foregoing summary of the Amendment is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K, and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

On January 30, 2024, the Company, provided notice of its termination, effective January 30, 2024, of that certain purchase agreement with GHS Investments, LLC (“GHS”) dated as of March 28, 2022 and amended on July 28, 2022 (the “GHS Purchase Agreement”). As previously reported, pursuant to the GHS Purchase Agreement, the Company could offer and sell to GHS, in its discretion, up to \$10,000,000 of shares of the Company’s common stock. The Company is not subject to any termination penalties related to the termination of the GHS Purchase Agreement.

Item 7.01 Regulation FD Disclosure.

On January 31, 2024, the Company issued a press release announcing the completion of the second tranche of the Purchase Agreement and the termination of the GHS Purchase Agreement. A copy of the press release is attached as Exhibit 99.1 and incorporated herein by reference.

The information furnished pursuant to Item 7.01, including Exhibit 99.1, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”) or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing made by us under the Exchange Act or Securities Act, regardless of any general incorporation language in any such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Exhibit
10.1	Amendment No. 1 to Securities Purchase Agreement between AiAdvertising, Inc. and Hexagon Partners, Ltd.
99.1	Press Release issued January 31, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AIADVERTISING, INC.

Date: February 1, 2024

By: /s/ Gerard Hug

Name: Gerard Hug

Title: Chief Executive Officer

AMENDMENT NO. 1 TO SECURITIES PURCHASE AGREEMENT

This Amendment No. 1 (the “**Amendment**”) dated January 29, 2024, to the Securities Purchase Agreement (the “**Agreement**”), dated as of April 10, 2023, is entered into by and between AiAdvertising, Inc., a Nevada corporation (the “**Company**”), and Hexagon Partners, Ltd., a Texas limited partnership (the “**Purchaser**” and together with the Company, the “**Parties**”, and each, a “**Party**”).

RECITALS

WHEREAS, the Parties entered into the Agreement pursuant to which the Company agreed to issue and sell up to 3,000,000 shares of Series I Convertible Preferred Stock, par value \$0.001 per share, with the rights, preferences, powers, restrictions, and limitations set forth in the certificate of designation of the Company filed with the Secretary of State of Nevada on October 10, 2023 in three tranches, the first of which was Tranche A which was consummated on April 10, 2023; and

WHEREAS, pursuant to Section 9.12, the Parties wish to enter into this Amendment to amend the terms of the purchase of Tranche B shares and Tranche C shares and to consummate the sale of the Tranche B shares to the Purchaser, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Definitions.** Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Agreement.
2. **Amendments to the Agreement.** As of the Effective Date (as defined in Section 3), the Agreement is hereby amended or modified as follows:
 - a. Section 2.01(b) of the Agreement is hereby amended and restated to read as follows:

“**Tranche B Option.** Subject to the satisfaction of the terms and conditions of this Agreement, the Company grants to Purchaser a ten (10) month option from the Initial Closing (the “**Option Period**”) to purchase up to 892,857 additional shares of Series I Preferred Stock at a purchase price of \$2.80 per share of Series I Preferred Stock (the “**Tranche B Option**” and such Tranche B purchase price the “**Tranche B Purchase Price**”)”
 - b. Section 2.01(c) of the Agreement is hereby amended and restated to read as follows:

“**Tranche C Option.** Subject to the satisfaction of the terms and conditions of this Agreement, the Company grants to Purchaser a ten (10) month option, during the Option Period that runs concurrently with the Tranche B Option, to purchase up to 168,269 shares of Series I Preferred Stock at a purchase price of \$10.40 per share of Series I Preferred Stock (the “**Tranche C Option**” and such Tranche C purchase price the “**Tranche C Purchase Price**”).”
 - c. Article VI of the Agreement is hereby amended by inserting at the end of such Article VI the following Section 6.08:

“**Section 6.08 Participation Right.** If the Company proposes to sell any of its securities in a financing transaction concurrent with a listing of the shares of Common Stock of the Company on a major U.S. stock exchange (the “**Financing Transaction**”), the Purchaser shall have the right to be the lead investor and participate in such Financing Transaction. The Company shall deliver to the Purchaser a written notice of its intent to complete the Financing Transaction. If the Purchaser desires to participate in such Financing Transaction, the Purchaser shall provide prompt notice (but in no event, not later than two (2) Trading Days after receipt of written notice from the Company) to the Company that such Purchaser is willing to participate in the Financing Transaction.”

3. Listing and Maintenance Requirements. The Company received notification from the OTC Markets on July 11, 2023, that its common stock is eligible only for “Unsolicited Quotes”.

3. Date of Effectiveness; Limited Effect. This Amendment will become effective on the date first written above (the “**Effective Date**”). Except as expressly provided in this Amendment, all of the terms and provisions of the Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Agreement or of any other Transaction Document or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party. On and after the Effective Date, each reference in the Agreement to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import, and each reference to the Agreement in any other agreements, documents, or instruments executed and delivered pursuant to, or in connection with, the Agreement/Transaction Documents, will mean and be a reference to the Agreement as amended by this Amendment.

4. Representations and Warranties. Each Party hereby represents and warrants to the other Party that:

a. It has the full right, power, and authority to enter into this Amendment and to perform its obligations hereunder and under the Existing Agreement as amended by this Amendment.

b. The execution of this Amendment by the individual whose signature is set forth at the end of this Amendment on behalf of such Party, and the delivery of this Amendment by such Party, have been duly authorized by all necessary action on the part of such Party.

c. This Amendment has been executed and delivered by such Party and (assuming due authorization, execution, and delivery by the other Party) constitutes the legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws and equitable principles related to or affecting creditors’ rights generally or the effect of general principles of equity.

5. Miscellaneous.

a. Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Agreement.

b. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. This Amendment shall be governed and subject to Section 9.14 of the Agreement.

c. Entire Agreement. This Amendment constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

d. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

AIADVERTISING, INC.

By: /s/ Gerard Hug
Name: Gerard Hug
Title: Chief Executive Officer

HEXAGON PARTNERS, LTD.

By: Texas Star Management Company, LLC, its general partner

By: /s/ Tim Dunn
Name: Tim Dunn
Title: Manager

**AIADVERTISING ANNOUNCES SECOND EQUITY INVESTMENT
TRANCHE OF \$2.5 MILLION FROM HEXAGON PARTNERS**

JANUARY 31, 2024 7:31AM EST

*Capital Will Allow for Expansion of Sales and Marketing Initiatives**Cancels \$10 Million Securities Purchase Agreement with GHS Investments**Retained ThinkEquity as Financial Advisor*

SAN ANTONIO--(BUSINESS WIRE)-- AiAdvertising, Inc. (OTC: AIAD), an industry leader in AI-powered advertising solutions, today completed the second tranche of its securities purchase agreement with Hexagon Partners, Ltd., a Texas-based investment company, for a strategic investment of \$2.5 million.

Hexagon Partners Equity Investment

On April 11, 2023, AiAdvertising entered into a securities purchase agreement with Hexagon Partners, Ltd. for a strategic investment of \$5.0 million and potentially up to \$9.25 million. The investment by Hexagon Partners was structured as the purchase of newly designated Series I Preferred Stock of the Company that converts into AIAD's common stock at a ratio of 1 to 400. In addition to the initial \$5.0 million investment, the transaction provided an option for two additional tranches totaling another \$4.25 million investment, with a total blended underlying as-converted common share price that represents an aggregate investment at a premium to the closing price of AIAD's common stock. The \$2.5 million second tranche transaction closed on January 30, 2024, and completes the investment.

Securities Purchase Agreement Terminated on January, 30 2024

On March 28, 2022, the Company entered into purchase agreement with GHS Investments, LLC, a Nevada limited liability company, to buy from the Company, up to \$10,000,000 worth of the Company's registered common stock, \$0.001 par value per share from time to time. From March 28, 2022, through January 30, 2024, the Company sold an aggregate of 259,661,078 shares of common stock at an average price of \$0.007 per share for gross proceeds of approximately \$1.79 million under the agreement. On January 30, 2024, the Company terminated the purchase agreement with GHS Investments.

ThinkEquity Hired as Financial Advisor to list on a National Exchange

On January 12, 2024, AiAdvertising engaged ThinkEquity LLC, a boutique investment bank, to act as AiAdvertising's financial advisor to list to a national exchange.

"We are privileged to extend our partnership with Hexagon Partners, and we celebrate their continued confidence in our company," said Jerry Hug, CEO of AiAdvertising. "The new investment will enable us to focus on further development of our AI-powered targeting solutions to generate more engaging, higher-impact campaigns that drive results for our clients. In addition, with the new investment from Hexagon to propel our sales efforts, we believe we will reach cashflow breakeven in the near-term. While we have valued our relationship with GHS Investments, we believe our improving business metrics will allow us to raise capital more efficiently than in the past, and consequently, we have cancelled our \$10 million Purchase Agreement with GHS."

“We are also excited to partner with ThinkEquity to explore listing our shares on a national exchange, which will represent a significant milestone for the Company. As we leverage our strong momentum to focus on delivering superior results to our clients, being listed on a national exchange increases corporate visibility, improves liquidity, and raises awareness of AiAdvertising in the financial markets. We look forward to working with the team at ThinkEquity for a successful uplisting,” concluded Hug.

About AiAdvertising

AiAdvertising is an AI-powered solutions provider employing the industry’s most scientifically advanced, patent-pending AI targeting process. Transforming marketing and customer experiences, allowing marketers to personify client data and scientifically target their ideal customers with hyper-personalized campaigns. By harnessing artificial intelligence (AI) and machine learning (ML), we empower brands to easily target, predict, create, scale, measure campaign performance and reduce waste. Our clients gain the intelligence they need to prove advertising’s impact on the bottom line. This means more engaging, higher-impact campaigns that drive conversions and results.

For more information about the Company, please visit www.AiAdvertising.com or our LinkedIn or Twitter pages.

Forward-Looking Statements

This press release may contain “forward-looking statements.” Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. 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. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements are included in our filings with the Securities and Exchange Commission, including the “Risk Factors” section of our annual report on Form 10-K for the year ended December 31, 2022. Any forward-looking statement made by us in this release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise, except as may be required under applicable law.

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