
Section 1: 8-K (8-K)

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): March 7, 2018 (March 5, 2018)

The Meet Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of Incorporation)

001-33105

(Commission File Number)

86-0879433

(IRS Employer Identification No.)

**100 Union Square Drive
New Hope, Pennsylvania**

(Address of principal executive offices)

18938

(Zip Code)

Registrant's telephone number, including area code: **(215) 862-1162**

Not Applicable

(Former name or former address if changed since last report.)

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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 2.02 Results of Operations and Financial Condition.

On March 7, 2018, The Meet Group, Inc. (the “Company”) issued a press release announcing, among other things, its financial results for the quarter and year ended December 31, 2017. A copy of the press release is furnished as Exhibit 99.1 to this Current Report.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b)

On March 7, 2018, the Company announced that its Chief Technology Officer, Niklas Lindstrom, by mutual agreement, left the Company effective March 5, 2018.

The Company expects to enter into a separation agreement with Mr. Lindstrom whereby he will be eligible to receive a severance payment in an amount equal to one year of his base salary, which, on the effective date of his departure, was \$337,000. Mr. Lindstrom is also eligible to receive his annual bonus for fiscal year 2017 in an amount to be determined by the board of directors of the Company.

On March 6, 2018, the Company entered into a consultant agreement with Mr. Lindstrom (the “Consultant Agreement”). Pursuant to the Consultant Agreement, Mr. Lindstrom will provide transitional assistance services to the Company through December 31, 2018 at a rate of \$175 per hour. The Consultant Agreement states that Mr. Lindstrom will provide such services approximately 40 hours per week between March 6, 2018 and June 30, 2018 and approximately five hours per week from July 1, 2018 through December 31, 2018. The Consultant Agreement includes standard restrictive covenants such as confidentiality, non-competition, non-solicitation and non-disparagement as well as provisions addressing the assignment and ownership of intellectual property developed by Mr. Lindstrom in his capacity as an independent contractor for the Company.

The foregoing description of the Consultant Agreement does not purport to be complete and is qualified in its entirety by reference to the Second Amendment, which is filed as Exhibit 10.2 to this Current Report and incorporated herein by reference.

(c)

The Company also announced on March 7, 2018 that, James Bugden, age 47, the Company’s current Interim Chief Financial Officer, has been appointed Chief Financial Officer.

Mr. Bugden has served as the Company’s Interim Chief Financial Officer since November 2017 and has fifteen years of CFO and accounting and finance leadership experience with public and private companies. Mr. Bugden has served as Senior Vice President, Corporate Development since February 2017. Mr. Bugden also served as Chief Financial Officer of Insider Guides, Inc. (d/b/a myYearbook.com) (“myYearbook”), and then with the Company after myYearbook merged with and into the Company on November 10, 2011, from July 2008 to March 2012. From 2015 to February 2017, Mr. Bugden served as CFO In-Residence for First Round Capital. During this time, Mr. Bugden also served as CFO of ROI Influence Media and Zoomin.com. From May 2013 to October 2015, Mr. Bugden served as CFO of Solve Media, and from March 2012 to January 2013, he served as Senior Vice President, Finance of Rent the Runway.

There are no family relationships, as defined in Item 401 of Regulation S-K, between Mr. Bugden and any of the Company’s executive officers or directors or persons nominated or chosen to become a director or executive officer. There is no arrangement or understanding between Mr. Bugden and any other person pursuant to which Mr. Bugden was appointed. There are no transactions in which Mr. Bugden has an interest requiring disclosure under Item 404(a) of Regulation S-K.

(d)

On March 2, 2018, the Board of Directors (the “Board”) of the Company voted to appoint Spencer Grimes as a director of the Company effective March 5, 2018.

The Board has determined that Mr. Grimes qualifies as an “independent director” as defined under Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

Mr. Grimes will receive compensation for his services (consisting of cash retainers and eligibility for equity awards) under the Company’s director compensation program applicable to non-employee directors. In connection with his appointment as a director, Mr. Grimes will enter into the Company’s standard form of indemnification agreement.

Mr. Grimes’s appointment to the Board was made pursuant to that certain Cooperation Agreement, dated as of January 5, 2018, by and among the Company, Kanen Wealth Management LLC and David L. Kanen (the “Cooperation Agreement”), as disclosed by the Company in its Current Report on Form 8-K filed with the Securities and Exchange Commission on January 9, 2018 (the “January 9th 8-K”). The description of the Cooperation Agreement contained in the January 9th 8-K is incorporated herein by reference.

Except as disclosed in this Current Report, there are currently no arrangements or understandings between Mr. Grimes and any other person pursuant to which Mr. Grimes was appointed to serve as a member of the Board. The Company is not aware of any transaction involving Mr. Grimes requiring disclosure under Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

As discussed in Item 2.02 above, the Company issued a press release, dated March 7, 2018, announcing, among other things, its financial results for the quarter and year ended December 31, 2017, the text of which is incorporated by reference into this “Item 7.01. Regulation FD Disclosure.” In addition, as discussed in the press release dated March 7, 2018, the Company is making presentation materials available on its website.

The information in Item 2.02 and Item 7.01 of this Current Report is being furnished and shall not be considered “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liability of such section, nor shall it be incorporated by reference into future filings by the Company under the Securities Act of 1933, as amended, or under the Exchange Act, unless the Company expressly sets forth in such future filing that such information is to be considered “filed” or incorporated by reference therein. This information shall not be deemed an admission as to the materiality of such information that is required to be disclosed solely by Regulation FD.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Consultant Agreement, dated as of March 6, 2018, by and between The Meet Group, Inc. and Niklas Lindstrom
99.1	The Meet Group, Inc. press release, dated March 7, 2018.

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 hereunto duly authorized.

THE MEET GROUP, INC.

Date: March 7, 2018

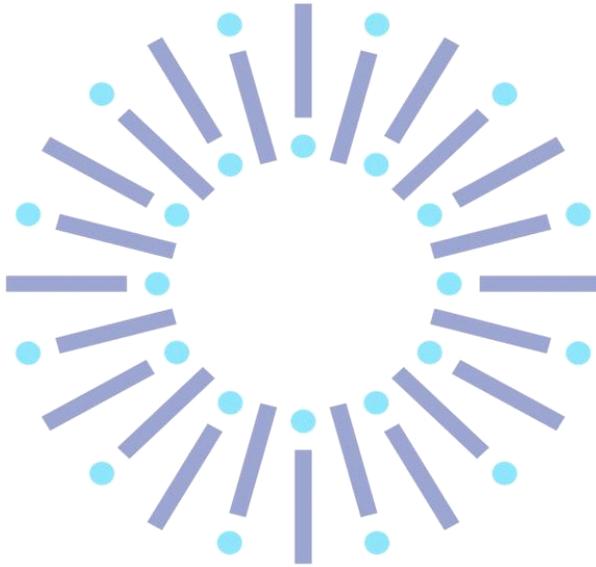
By: /s/ Geoff Cook

Name: Geoff Cook

Title: Chief Executive Officer

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Section 2: EX-10.1 (CONSULTING AGREEMENT)



THE
MEET
GROUP

March 6, 2018

As a condition of Niklas Lindstrom, an individual (“Consultant”), being retained as an independent contractor by The Meet Group, Inc., its subsidiaries, affiliates, successors or assigns (collectively, “Company”) (Consultant and Company each a “party” and collectively the “parties”), the parties agree (the “Agreement”) to the following:

1. **Scope of Duties and Compensation.** Consultant will provide transitional assistance services as set forth on Exhibit A hereto and as otherwise agreed from time to time. Consultant shall perform all such services at a rate of \$175 per hour. The parties anticipate that Consultant will work approximately 40 hours per week until June 30, 2018 and approximately five hours per week until from July 1, 2018 to December 31, 2018. Consultant is responsible for invoicing the Company for all hours worked. Consultant shall provide all services in a professional and diligent manner, using the highest level of expertise and experience. This Agreement will terminate on December 31, 2018, provided however that either party may terminate this Agreement at any time upon written notice. Upon any such termination, Company shall be obligated to pay only for time spent by Consultant in performing services accepted by Company through the date of termination.

or unemployment insurance, workers compensation, medical insurance, sick leave, or any other employment benefit. Consultant shall not be entitled or eligible to participate in any benefits or privileges given or extended by Company, or its employees, for purposes of Federal or State withholding taxes, F.I.C.A. taxes and unemployment benefits, workers’ compensation or otherwise, and Consultant will make all required F.I.C.A. and unemployment contributions due on behalf of itself hereunder. Consultant acknowledges and agrees that its status with Company may be terminated at any time, for any reason, at the sole option of Company, with or without notice.

2.2 Neither party to this Agreement may act as the legal representative or agent of the other, and neither party shall have any authority to enter into any contract or otherwise create or assume any obligation of any kind, express or implied, on behalf of the other party without its express prior written consent. Consultant shall not make

2. **Independent Contractor Status.**

2.1 The parties expressly intend, acknowledge and agree that during the entire term of this Agreement Consultant is acting as an independent contractor to Company, and is not an agent, partner, affiliate, joint venturer or principal of Company. Nothing in this Agreement shall be construed to create a partnership, joint venture, or employment relationship between Company and Consultant. Consultant shall not be entitled to any of the rights and/or benefits normally made available to the employees of Company, including those rights to disability

any representation, warranty or guaranty on behalf of Company in performance of the Services provided for under this Agreement

3. **Confidential Information.**

3.1 **Company Information.** Consultant shall at all times during which it is retained by Company and thereafter, hold in strictest confidence, and not use, except for the benefit of Company, or to disclose to any person, firm or corporation without written authorization of Company, any Confidential Information of Company.

Confidential & Proprietary

“Confidential Information” means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers (including, but not limited to, customers of Company on whom Consultant called or with whom it became acquainted during the period of time Consultant is retained by Company), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information disclosed to it by Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of Consultant, or of others who were under confidentiality obligations as to the item or items involved. Consultant understands that he is herein notified that this Agreement is entered into pursuant to the United States Federal Trade Secrets law. In addition to other provisions, federal law provides certain protections to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances. Specifically, Consultant understands that federal law provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret under either of the following conditions: (A) Where the disclosure is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) Where the disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Consultant has been further notified and understands that federal law also provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

3.2 **Third Party Information.** Consultant recognizes that Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on Company’s part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out its work for Company consistent with Company’s agreement with such third party.

4. **Inventions.**

4.1 **Assignment of Inventions to Company.** Consultant shall promptly make full written disclosure to Company, will hold in trust for the sole right and benefit of Company, and hereby assigns to Company, or its designee, all of Consultant’s right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which Consultant may solely or jointly conceive or develop or reduce to practice, or causes to be conceived or developed or reduced to practice, during the course of its performance under this Agreement, including without limitation all changes, enhancements and other modifications made to or derivative works made from any items owned by Consultant (collectively, “Inventions”). In addition to the foregoing, Consultant acknowledges and agrees that all original works of authorship which are made by it (solely or jointly with others) during the course of its performance under this Agreement and which are protectable by copyright are “works made for hire” as that term is defined in the United States Copyright Act. To the extent that title to any such works may not by operation of law, vest in Company or such works are held not to be works made for hire, Consultant hereby irrevocably assigns the sole right, title and interest in such works and Consultant’s copyright therein to Company. Consultant agrees that all Inventions which she makes, discovers, conceives, reduces to practice or develops (in whole or in part, either alone or jointly with others) during her service relationship with Company will be the sole property of Company to the maximum extent permitted by Section 2870 of the California Labor Code, if applicable, or any like statute of any other state. To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable. This assignment will not extend to Inventions, the assignment of which is prohibited by *California Labor Code* Section 2870.

4.2 **Ownership.** Company shall be the sole owner of all patents, patent rights, copyrights, trade secret rights, trademark rights and all other intellectual property or other rights in connection with Inventions. Consultant hereby assigns to Company any and all rights, title and interest she may have or acquire in such Inventions. If in the course of Consultant’s service with Company she incorporates into a Company product, process, machine or other deliverable a prior invention owned, controlled or licensable by Consultant or in which she has an interest, Company is hereby granted and will have a nonexclusive, royalty-free, fully paid up, irrevocable, perpetual, sublicensable, transferable, worldwide license under all intellectual property rights in and to such prior invention to

make, have made, modify, use, market, sell, offer to sell, import, distribute, make derivative works of, and otherwise exploit any product or offer any service.

4.3 **Maintenance of Records.** Consultant agrees to perform, during and after her service to Company, all acts deemed necessary or desirable by Company to permit and assist it, at Company's expense, in further evidencing and perfecting the assignments made to Company under this Agreement and in obtaining, maintaining, defending and enforcing patents, patent rights, copyrights, trademark rights, trade secret rights or any other rights in connection with such Inventions and improvements thereto in any and all countries. Such acts may include, but are not limited to, execution of documents and assistance or cooperation in legal proceedings. Consultant hereby irrevocably designates and appoints Company and its duly authorized officers and agents, her agents and attorney-in-fact to act for and on her behalf and instead of her, to execute and file any documents, applications or related findings and to do all other lawfully permitted acts to further the purposes set forth above in this subsection, including, without limitation, the perfection of assignment and the prosecution and issuance of patents, patent applications, copyright applications and registrations, trademark applications and registrations or other rights in connection with such Inventions and improvements thereto with the same legal force and effect as if executed by her.

4.4 **Assignment and Waiver of Moral Rights.** Any assignment of copyright hereunder (and any ownership of a copyright as a work made for hire) includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights" (collectively "Moral Rights"). To the extent such Moral Rights cannot be assigned under applicable law and to the extent the following is allowed by the laws in the various countries where Moral Rights exist, Consultant hereby waives such Moral Rights in any work created under this Agreement, consent to any action of Company that would violate such Moral Rights in any work created under this Agreement in the absence of such consent and agree as to any work created under this Agreement not to pursue any claims against Company arising from or related to any Moral Rights in any work created under this Agreement. Consultant shall confirm any such assignments, waivers and consents in writing from time to time as requested by Company even after Consultant's service relationship with Company has ended.

5. **Conflicting Engagement.** Consultant agrees that, during the period of time that Consultant is retained by Company, and for a period of three (3) months thereafter, Consultant shall not, without the prior written consent of Company, engage in any other employment, occupation, consulting or other business activity that competes with Company's business.

6. **Returning Company Materials.** Consultant agrees that, at the time its service for Company terminates, or earlier at Company's discretion, it will deliver to Company (and will not keep in its possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items ("Company Materials") developed by it pursuant to its service for Company or otherwise belonging to Company.

7. **Non-Solicitation.** During the period of its relationship with Company and for a period of twelve (12) months immediately following the termination thereof for any reason, whether with or without cause, Consultant shall not either directly or indirectly solicit, induce, recruit or encourage any of Company's employees, contractors, temporary labor, and other third-party service providers ("workers") to leave their employment, or take away such workers, or attempt to solicit, induce, recruit, encourage or take away workers of Company, either for itself or for any other person or entity.

8. **Non-Disparagement.** Consultant shall not disparage, criticize, defame, discuss or otherwise speak of or communicate about Company, its affiliates, business or employees in a negative, critical or harmful manner. This obligation extends to all statements, written or oral, and whether intended to be public or private.

9. **Representations.** Consultant agrees to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. Consultant represents that this Agreement and Consultant's performance of all the terms of this Agreement will not breach any non-compete or similar agreement or any agreement to keep in confidence proprietary information acquired by it in confidence or in trust. Consultant has not entered into, and shall not enter into, any oral or written agreement in conflict herewith. Consultant hereby represents and warrants to Company that all individuals supplied to Company or otherwise performing under this Agreement are employees of Consultant and bound by written agreements with Consultant to observe and perform each of the terms of this Agreement.

10. **Equitable Relief.** Consultant acknowledges and agrees that it would be impossible or inadequate to measure and calculate the damages from any breach of the covenants set forth in Sections 3 (Confidential Information), 4 (Inventions), 5 (Conflicting Engagements), 6 (Returning Company Documents), 7 (Non-Solicitation) and 8 (Non-Disparagement) herein. Accordingly, Consultant agrees that if it breaches any of such Sections, Company will have available, in addition to any other right or remedy available, the right to obtain an injunction from a court of competent

Confidential & Proprietary

The Meet Group Reports Fourth Quarter and Full Year 2017 Financial Results

NEW HOPE, Pa., March 7, 2018 – The Meet Group, Inc. (NASDAQ: MEET), a public market leader in the mobile meeting space, today reported financial results for its fourth quarter and full year ended December 31, 2017.

Fourth Quarter 2017 Financial Highlights

- Total revenue of \$40.1 million, up 37% year over year.
- Mobile revenue of \$32.0 million, up 15% year over year.
- GAAP net loss of \$67.7 million, or \$0.94 per diluted share primarily as a result of a non-cash asset impairment charge and deferred tax charge of \$56.4 million and \$7.7 million, respectively, compared to GAAP net income of \$9.9 million, or \$0.15 per diluted share in the prior year quarter
- Adjusted EBITDA of \$10.5 million, compared to \$12.8 million in the prior year quarter.
- Non-GAAP net income of \$9.5 million, or \$0.12 per diluted share, compared to \$12.4 million or \$0.19 per diluted share in the prior year quarter.

Full Year 2017 Financial Highlights

- Total revenue of \$123.8 million, up 63% year over year.
- Mobile revenue of \$97.8 million, up 38% year over year.
- GAAP net loss of \$64.2 million, or \$0.93 per diluted share primarily as a result of a non-cash asset impairment charge and deferred tax charge of \$56.4 million and \$7.7 million, respectively, compared to GAAP net income of \$46.3 million, or \$0.80 per diluted share in the prior year
- Adjusted EBITDA of \$31.6 million, up 8% year over year, or a 26% margin.
- Non-GAAP net income of \$28.5 million, or \$0.39 per diluted share, compared to \$26.9 million or \$0.47 per diluted share in the prior year

(See the important discussion about the presentation of non-GAAP financial measures, and reconciliation to the most direct comparable GAAP financial measure, below.)

"Video has arrived at The Meet Group," said Geoff Cook, Chief Executive Officer. "While we only just began to monetize livestreaming video in the fourth quarter of 2017, it's already a \$19 million annualized run rate business based on the month of February's results, up 70% versus the fourth quarter average.

"We believe that's remarkable progress, particularly given that we've deployed video on only two of our four major apps, representing just 40% of our total daily active users (DAU). We expect video revenue to continue to grow quickly in 2018 and beyond, as we seek to rapidly expand our daily video audience and improve our per-video-user monetization rates. We are in the process of video-enabling our large, global social community, and we believe that outside of Asia we are the only social dating company of size with a full-scale commitment to live video.

"It is important to note," Cook said, "that we expect the first quarter of 2018 will be the first quarter in our history in which we generate the majority of our revenue from user-pay, rather than advertising. Fueled by the early success of video on MeetMe and Skout and our acquisitions of Lovoo and Tagged, our share of user-pay revenue grew from 6% in the fourth quarter of 2016 to 39% in the fourth quarter of 2017. We expect it will approach 60% in the first quarter of 2018. As we continue to transition toward a user-pay revenue model, we continue to manage costs closely to support our short-term and long-term financial strength. Earlier this week we reduced our cost structure by an additional \$7 million on an annualized basis, primarily through headcount and operating expense reductions in our San Francisco office.

"I am also pleased to announce the appointment of Jim Bugden as our Chief Financial Officer. We believe Jim is the ideal financial partner to help us navigate the transformation of our business model

from advertising to user-pay. He was the long-time CFO of myYearbook (the predecessor of The Meet Group), and played a key role in diversifying our revenue model through acquisitions of new lines of business as the SVP of Corporate Development. Additionally, our Board of Directors appointed Spencer Grimes as a member. Spencer brings considerable experience in finance and media, currently as Managing Partner of Twinleaf Management LLC, a Connecticut-based registered investment adviser focused on small cap equities in media and technology. Mr. Grimes is also an adjunct professor of digital media at The New School in New York City. I look forward to working closely with Jim and Spencer.”

Fourth Quarter and Full Year Financial Results

For the fourth quarter of 2017, the Company reported revenue of \$40.1 million, an increase from \$29.2 million year over year. GAAP net loss was \$67.7 million, or \$0.94 per diluted share, compared to GAAP net income of \$9.9 million, or \$0.15 per diluted share year over year. GAAP net loss includes both a non-cash asset impairment charge and a deferred tax charge, both of which contributed to the year over year change. In our annual impairment testing of goodwill and intangible assets, we determined that a write-down of goodwill of \$56.4 million was required for our U.S. reporting entity. We believe this was due predominantly to the market-driven impacts on advertising revenue resulting from lower CPMs that negatively affected our results and outlook. We do not expect that this non-cash impairment charge will impact our ability to generate cash flow in the future. In addition, at the end of fourth quarter, with the passage of the new corporate tax law, we took a \$7.7 million one-time, non-cash charge to adjust the value of our deferred tax asset. Adjusted EBITDA in the fourth quarter of 2017 was \$10.5 million compared to \$12.8 million year over year.

For the full year 2017, the Company reported revenue of \$123.8 million, an increase from \$76.1 million in 2016. GAAP net loss for the year was \$64.2 million, or \$0.93 per diluted share, compared to GAAP net income of \$46.3 million, or \$0.80 per diluted share, in the prior year. The Company reported a non-cash asset impairment charge for our U.S. reporting entity and a deferred tax charge of \$56.4 million and \$7.7 million, respectively, related to the reasons noted above. Adjusted EBITDA for the full year 2017 was \$31.6 million, compared to \$29.3 million in 2016. Non-GAAP net income was \$28.5 million, or \$0.39 per diluted share, compared to \$26.9 million or \$0.47 per diluted share in the prior year.

The Company ended the year with approximately \$24 million million in cash and cash equivalents.

THE MEET GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	December 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 24,158,444	\$ 21,852,531
Accounts receivable, net of allowance of \$527,958 and \$283,000 at December 31, 2017 and 2016, respectively	26,443,675	23,737,254
Prepaid expenses and other current assets	3,245,174	1,489,267
Total current assets	53,847,293	47,079,052
Restricted cash	894,551	393,484
Goodwill	150,694,135	114,175,554
Property and equipment, net	4,524,118	2,466,110
Intangible assets, net	48,719,428	17,010,565
Deferred taxes	15,521,214	28,253,827
Other assets	1,144,032	110,892
Total assets	\$ 275,344,771	\$ 209,489,484
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,277,846	\$ 5,350,336
Accrued liabilities	19,419,595	8,395,060
Current portion of long-term debt	15,000,000	—
Current portion of capital lease obligations	254,399	221,302
Deferred revenue	4,433,450	434,197
Total current liabilities	45,385,290	14,400,895
Long-term capital lease obligations, less current portion, net	192,137	—
Long-term debt	40,706,597	—
Long-term derivative liability	2,995,657	—
Other liabilities	147,178	—
Total liabilities	89,426,859	14,400,895
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.001 par value; authorized - 5,000,000 shares; 0 shares issued and outstanding at December 31, 2017 and 2016	—	—
Common stock, \$.001 par value; authorized - 100,000,000 shares; 71,915,018 and 58,945,607 shares issued and outstanding at December 31, 2017 and 2016, respectively	71,918	58,949
Additional paid-in capital	408,029,068	351,873,801
Accumulated deficit	(221,058,536)	(156,844,161)
Accumulated other comprehensive loss	(1,124,538)	—
Total stockholders' equity	185,917,912	195,088,589
Total liabilities and stockholders' equity	\$ 275,344,771	\$ 209,489,484

THE MEET GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues	\$ 40,119,076	\$ 29,222,186	\$ 123,753,813	\$ 76,124,109
Operating costs and expenses:				
Sales and marketing	6,050,466	6,313,958	20,355,964	15,089,987
Product development and content	19,698,097	8,059,563	60,704,473	25,790,173
General and administrative	6,504,840	3,063,319	19,549,805	9,494,804
Depreciation and amortization	3,954,243	1,802,568	11,573,827	4,069,211
Acquisition and restructuring	3,125,448	829,169	11,774,140	2,457,295
Goodwill impairment	56,428,861	—	56,428,861	—
Total operating costs and expenses	<u>95,761,955</u>	<u>20,068,577</u>	<u>180,387,070</u>	<u>56,901,470</u>
(Loss) income from operations	<u>(55,642,879)</u>	<u>9,153,609</u>	<u>(56,633,257)</u>	<u>19,222,639</u>
Other income (expense):				
Interest income	387	2,488	5,731	21,185
Interest expense	(438,445)	(3,160)	(860,392)	(19,388)
Change in warrant liability	—	—	—	(864,596)
(Loss) gain on foreign currency adjustment	(30,416)	69	(32,488)	33,416
Other	9,631	—	9,631	—
Total other expense	<u>(458,843)</u>	<u>(603)</u>	<u>(877,518)</u>	<u>(829,383)</u>
(Loss) income before income tax (expense) benefit	<u>(56,101,722)</u>	<u>9,153,006</u>	<u>(57,510,775)</u>	<u>18,393,256</u>
Income tax (expense) benefit	<u>(11,637,816)</u>	<u>749,916</u>	<u>(6,703,600)</u>	<u>27,875,362</u>
Net (loss) income	<u>\$ (67,739,538)</u>	<u>\$ 9,902,922</u>	<u>\$ (64,214,375)</u>	<u>\$ 46,268,618</u>
Basic and diluted net (loss) income per common stockholders:				
Basic net (loss) income per common stockholders	<u>\$ (0.94)</u>	<u>\$ 0.17</u>	<u>\$ (0.93)</u>	<u>\$ 0.89</u>
Diluted net (loss) income per common stockholders	<u>\$ (0.94)</u>	<u>\$ 0.15</u>	<u>\$ (0.93)</u>	<u>\$ 0.80</u>
Weighted average shares outstanding:				
Basic	<u>71,808,179</u>	<u>58,856,831</u>	<u>68,743,956</u>	<u>51,963,702</u>
Diluted	<u>71,808,179</u>	<u>64,121,470</u>	<u>68,743,956</u>	<u>57,745,652</u>

THE MEET GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET (LOSS) INCOME TO ADJUSTED EBITDA
(UNAUDITED)

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net (loss) income	\$ (67,739,538)	\$ 9,902,922	\$ (64,214,375)	\$ 46,268,618
Interest expense	438,445	3,160	860,392	19,388
Change in warrant liability	—	—	—	864,596
Income tax expense (benefit)	11,637,816	(749,916)	6,703,600	(27,875,362)
Depreciation and amortization	3,954,243	1,802,568	11,573,827	4,069,211
Stock-based compensation expense	2,665,232	1,013,145	8,467,278	3,567,987
Goodwill impairment	56,428,861	—	56,428,861	—
Acquisition and restructuring	3,125,448	829,169	11,774,140	2,457,295
Loss (gain) on foreign currency adjustment	30,416	(69)	32,488	(33,416)
Adjusted EBITDA	<u>\$ 10,540,923</u>	<u>\$ 12,800,979</u>	<u>\$ 31,626,211</u>	<u>\$ 29,338,317</u>
GAAP basic net (loss) income per common stockholder	<u>\$ (0.94)</u>	<u>\$ 0.17</u>	<u>\$ (0.93)</u>	<u>\$ 0.89</u>
GAAP diluted net (loss) income per common stockholder	<u>\$ (0.94)</u>	<u>\$ 0.15</u>	<u>\$ (0.93)</u>	<u>\$ 0.80</u>
Basic adjusted EBITDA per common stockholder	<u>\$ 0.15</u>	<u>\$ 0.22</u>	<u>\$ 0.46</u>	<u>\$ 0.56</u>
Diluted adjusted EBITDA per common stockholder	<u>\$ 0.14</u>	<u>\$ 0.20</u>	<u>\$ 0.43</u>	<u>\$ 0.51</u>
Weighted average shares outstanding:				
Basic	<u>71,808,179</u>	<u>58,856,831</u>	<u>68,743,956</u>	<u>51,963,702</u>
Diluted	<u>75,965,208</u>	<u>64,121,470</u>	<u>73,198,544</u>	<u>57,745,652</u>

THE MEET GROUP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET (LOSS) INCOME TO NON-GAAP NET INCOME
(UNAUDITED)

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
GAAP Net (loss) income \$	(67,739,538)	\$ 9,902,922	\$ (64,214,375)	\$ 46,268,618
Stock-based compensation expense	2,665,232	1,013,145	8,467,278	3,567,987
Amortization of intangibles	3,370,712	1,364,850	9,353,171	2,507,433
Income tax expense (benefit)	11,637,816	(749,916)	6,703,600	(27,875,362)
Goodwill impairment	56,428,861	—	56,428,861	—
Acquisition and restructuring	3,125,448	829,169	11,774,140	2,457,295
Non-GAAP net income	<u>\$ 9,488,531</u>	<u>\$ 12,360,170</u>	<u>\$ 28,512,675</u>	<u>\$ 26,925,971</u>
GAAP basic net (loss) income per common stockholder	<u>\$ (0.94)</u>	<u>\$ 0.17</u>	<u>\$ (0.93)</u>	<u>\$ 0.89</u>
GAAP diluted net (loss) income per common stockholder	<u>\$ (0.94)</u>	<u>\$ 0.15</u>	<u>\$ (0.93)</u>	<u>\$ 0.80</u>
Basic Non-GAAP net income per common stockholder	<u>\$ 0.13</u>	<u>\$ 0.21</u>	<u>\$ 0.41</u>	<u>\$ 0.52</u>
Diluted Non-GAAP net income per common stockholder	<u>\$ 0.12</u>	<u>\$ 0.19</u>	<u>\$ 0.39</u>	<u>\$ 0.47</u>
Weighted average shares outstanding:				
Basic	<u>71,808,179</u>	<u>58,856,831</u>	<u>68,743,956</u>	<u>51,963,702</u>
Diluted	<u>75,965,208</u>	<u>64,121,470</u>	<u>73,198,544</u>	<u>57,745,652</u>

Webcast and Conference Call Details

Management will host a webcast and conference call to discuss fourth quarter and full year 2017 financial results today, March 7, 2018 at 4:30 p.m. Eastern time. To access the call dial 866-572-9351 (US and Canada) or 703-736-7482 (International) and when prompted provide the participant passcode 7858249 to the operator. In addition, a webcast of the conference call will be available live on the Investor Relations section of the Company's website at www.themeetgroup.com and a replay of the webcast will be available for 90 days.

About The Meet Group

The Meet Group (NASDAQ: MEET) is a fast-growing portfolio of mobile apps designed to meet the universal need for human connection. Our apps - currently MeetMe®, LOVOO®, Skout®, Tagged®, and Hi5® - let users in more than 100 countries chat, share photos, stream live video, and discuss topics of interest, and are available on iPhone, iPad, and Android in multiple languages. Using innovative products and sophisticated data science, The Meet Group keeps its 4.3 million mobile daily active users engaged and originates untold numbers of casual chats, friendships, dates, and marriages. The Meet Group offers advertisers the opportunity to reach customers on a global scale and has leading mobile monetization strategies, including advertising, in-app purchases, and subscription products. The Meet Group has offices in New Hope, San Francisco, Dresden, and Berlin. For more information, visit themeetgroup.com, and follow us on [Facebook](#), [Twitter](#) or [LinkedIn](#).

Forward-Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including whether our total revenue and mobile revenue will continue to grow, whether our Adjusted EBITDA will continue to grow, whether video revenue will continue to grow as expected in 2018 and beyond, whether we will expand our daily video audience and improve per-video-user monetization rates as expected, whether the first quarter of 2018 will be the first in our history in which we generate the majority of our revenue from user-pay, whether user-pay revenue will represent 60% of total revenue in the first quarter of 2018, and whether the non-cash impairment charge will impact our ability to generate cash flow in the future. All statements other than statements of historical facts contained herein are forward-looking statements. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "project," "is likely," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include the risk that our applications will not function easily or otherwise as anticipated, the risk that we will not launch additional features and upgrades as anticipated, the risk that unanticipated events affect the functionality of our applications with popular mobile operating systems, any changes in such operating systems that degrade our mobile applications' functionality and other unexpected issues which could adversely affect usage on mobile devices. Further information on our risk factors is contained in our filings with the Securities and Exchange Commission ("SEC"), including the Form 10-K for the year ended December 31, 2016 filed with the SEC on March 9, 2017, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 filed with the SEC on May 10, 2017, August 4, 2017 and November 9, 2017, respectively. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Regulation G – Non-GAAP Measures

The Company defines mobile traffic and engagement metrics (including MAU, DAU, chats per day, and new users per day) to include mobile app traffic for all properties and mobile web traffic for MeetMe and Skout.

The Company uses Adjusted EBITDA and Non-GAAP Net Income, which are not calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”), in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparison. The Company uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. The Company presents these non-GAAP financial measures because it believes them to be an important supplemental measure of performance that is commonly used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We refer you to the reconciliations below.

The Company defines Adjusted EBITDA as earnings (or loss) from operations before interest expense, benefit or provision for income taxes, depreciation and amortization, stock-based compensation, warrant obligations, non-recurring acquisition, restructuring or other expenses, gain or loss on cumulative foreign currency translation adjustment, gain on sale of asset, bad debt expense outside the normal range, and goodwill and long-lived asset impairment charges. The Company excludes stock-based compensation because it is non-cash in nature. The Company defines Non-GAAP Net Income as earnings (or loss) before benefit or provision for income taxes, amortization of intangibles, non-recurring acquisition and restructuring costs, bad debt expense outside the normal range, and non-cash stock based compensation.

Non-GAAP financial measures should not be considered as an alternative to net income, operating income, cash flow from operating activities, as a measure of liquidity or any other financial measure. They may not be indicative of the historical operating results of the Company nor is it intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as a substitute for performance measures calculated in accordance with GAAP.

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Investor Contact:

Leslie Arena

larena@themeetgroup.com

267 714 6418

Media Contact:

Brandyn Bissinger

bbissinger@themeetgroup.com

267 446 7010

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