# 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): July 27, 2018

# The Meet Group, Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **001-33105** | **86-0879433** |
|---|---|---|
| (State or other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| **100 Union Square Drive**<br>**New Hope, Pennsylvania** | **18938** |
|---|---|
| (Address of principal executive offices) | (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 1.01 Entry into a Material Definitive Agreement.**

On July 27, 2018, The Meet Group, Inc. (the "Company") entered into a Third Amendment and Limited Waiver to Amended and Restated Credit Agreement (the "Third Amendment") to that certain Amended and Restated Credit Agreement, dated as of September 18, 2017 (as amended, the "Credit Agreement"), among the Company, the several banks and other financial institutions party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. Among other things, the Third Amendment amends the Company's obligation to use certain of its excess cash flow to prepay its obligations under the Credit Agreement by limiting the applicable period for the fiscal year ended December 31, 2017 to the period commencing October 31, 2017 and ended December 31, 2017.

The foregoing description of the Third Amendment does not purport to be complete and is qualified in its entirety by reference to the Third Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K (this "Current Report") and incorporated herein by reference.

**Item 2.02 Results of Operations and Financial Condition.**

On August 1, 2018, the Company issued a press release announcing, among other things, its financial results for the quarter ended June 30, 2018. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (this "Current Report") and incorporated herein by reference.

**Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of Registrant.**

(a)

The information set forth in Item 1.01 of this Current Report is incorporated by reference into this Item 2.03.

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

(b)

On August 1, 2018, the Company announced that its Chief Revenue Officer, William Alena, left the Company effective July 31, 2018 (the "Separation Date").

In connection with his departure, in addition to other benefits set forth in his Amended and Restated Employment Agreement dated June 1, 2016 ("Employment Agreement"), Mr. Alena is eligible to receive severance payments equal to one year of his base salary, which, on the Separation Date, was $339,487.92. Mr. Alena is also eligible to receive his annual bonus, pro-rated to reflect the Separation Date, for fiscal year 2018 in an amount of $99,017.33.

As of the Separation Date and pursuant to his Employment Agreement and his Award Grant Vesting Agreement dated as of April 26, 2016, vesting accelerated on Mr. Alena's 64,148 outstanding options to purchase Company stock and 37,430 outstanding shares of restricted Company stock.

In addition, pursuant to the terms of Mr. Alena's Employee Performance Share Award Agreement dated April 9, 2018, performance-based stock units granted to Mr. Alena automatically vested as of the Separation Date for a share award of 113,350 shares of common stock based on the Company's attainment of total shareholder return performance goals through the Separation Date.

**Item 7.01 Regulation FD Disclosure.**

As discussed in Item 2.02 above, the Company issued a press release, dated August 1, 2018, announcing, among other things, its financial results for the quarter ended June 30, 2018, 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 August 1, 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

| Exhibit No. | Description |
|---|---|
| 10.1 | Third Amendment and Limited Waiver to Amended and Restated Credit Agreement, dated as of July 27, 2018 with the several banks and other financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent |
| 99.1 | The Meet Group, Inc. press release, dated August 1, 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: August 1, 2018

By: /s/ Geoff Cook
Name: Geoff Cook
Title: Chief Executive Officer

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# Section 2: EX-10.1 (EXHIBIT 10.1)

**Exhibit 10.1**

**THIRD AMENDMENT AND LIMITED WAIVER TO
AMENDED AND RESTATED CREDIT AGREEMENT**

THIS **THIRD AMENDMENT AND LIMITED WAIVER** to Amended and Restated Credit Agreement (this "**Amendment**") is entered into as of July 27, 2018, by and between **JPMORGAN CHASE BANK, N.A.**, ("**JPMorgan**") as Administrative Agent (in such capacity, "**Administrative Agent**"), the Lenders party hereto (each a "**Lender**" and collectively, the "**Lenders**") including JPMorgan in its capacity as a Lender, the Loan Parties party hereto and **THE MEET GROUP, INC.**, a Delaware corporation ("**Borrower**").

**RECITALS**

**A.** Administrative Agent, Lenders, the Loan Parties and Borrower have entered into that certain Amended and Restated Credit Agreement dated as of September 18, 2017 (as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated October 18, 2017, that certain Second Amendment to Amended and Restated Credit Agreement, dated March 7, 2018and as amended from time to time, the "**Credit Agreement**").

**B.** Lenders have extended credit to Borrower for the purposes permitted in the Credit Agreement.

**C.** The Borrower and the Loan Parties have requested that the Administrative Agent and the Lenders amend and waive certain provisions of the Credit Agreement and the Administrative Agent and the Lenders have agreed to amend and waive certain provisions of the Credit Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

**AGREEMENT**

**NOW, THEREFORE,** in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

**1.** **Definitions.** Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Credit Agreement.

**2.** **Amendments to Credit Agreement.**

**2.1** **Section 1.01 (Defined Terms)**. Section 1.01 of the Credit Agreement is hereby amended and restated by amending and restating the definition of "Working Capital" as follows:

"Working Capital" means, at any date, the excess of current assets of the Borrower and its Subsidiaries other than cash or cash equivalents on such date over current liabilities *(excluding the current portion of long-term debt)* of the Borrower and its Subsidiaries on such date other than Revolving Loans and Letters of Credit, all determined on a consolidated basis in accordance with GAAP.

**2.2** **Section 1.01 (Defined Terms)**. Section 1.01 of the Credit Agreement is hereby amended and restated by adding the definition of "Third Amendment" and "'Third Amendment Effective Date", as follows:

"Third Amendment" means that certain Third Amendment to the Credit Agreement dated as of the Third Amendment Effective Date.

"Third Amendment Effective Date" has the meaning assigned to the term in the Third Amendment.

**2.3 Section 2.11(c)**. Section 2.11(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(c) Commencing with the fiscal year end 2017 *(and for such fiscal year, for the period commencing on October 31, 2017 through December 31, 2017)*, no later than the date that is ten days after the earlier of (i) the date on which the Borrower's annual audited financial statements for the immediately preceding fiscal year are delivered pursuant to Section 5.01 or (ii) the date on which such annual audited financial statements were required to be delivered pursuant to Section 5.01, the Borrower shall prepay the Obligations as set forth in Section 2.11(e) below in an amount equal to (A) fifty percent (50%) of the Borrower's Excess Cash Flow for the immediately preceding fiscal year *(or portion thereof for purposes of fiscal year 2017)* as set forth in paragraph (e) below, or (B) zero percent (0%) of the Borrower's Excess Cash Flow for the immediately preceding fiscal year *(or portion thereof for purposes of fiscal year 2017)* as set forth in paragraph (e) below if the Borrower's Total Leverage Ratio is less than 0.50 to 1.00. Each Excess Cash Flow prepayment shall be accompanied by a certificate signed by a Financial Officer certifying the manner in which Excess Cash Flow and the resulting prepayment were calculated, which certificate shall be in form and substance reasonably satisfactory to the Administrative Agent."

**3. Limited Waiver.**

**3.1** An Event of Default has occurred and currently exists under the Credit Agreement as a result of the Borrowers' failure to prepay the Obligations in accordance with Section 2.11(c) of the Credit Agreement for the fiscal year end 2017 (the "**Existing Event of Default**"). The Borrowers represent and warrant that the Existing Event of Default is the only Default or Events of Default that exists under the Credit Agreement and the other Loan Documents as of the date hereof. Subject to the satisfaction of the conditions precedent set forth in Section 7 hereof, the Administrative Agent and the Lenders hereby waive the Existing Event of Default in existence on the date hereof. The waiver contained herein shall be limited precisely as written and, except as expressly provided herein, shall not be deemed or otherwise construed to constitute a waiver of any Default or Event of Default now existing or hereafter arising or any other provision or to prejudice any right, power or remedy which the Administrative Agent and the Lenders may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document (after giving effect to this Amendment), all of which rights, powers and remedies are hereby expressly reserved by the Administrative Agent and the Lenders.

**4. Limitation of Amendment.**

**4.1** The amendments set forth in Section 2 above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Administrative Agent or any Lender may now have or may have in the future under or in connection with any Loan Document.

**4.2** This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

**5. Representations and Warranties.** To induce Administrative Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Administrative Agent and Lenders as follows:

**5.1** Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

**5.2** Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Credit Agreement, as amended by this Amendment;

**5.3** The organizational documents of Borrower delivered to Administrative Agent and Lenders on the Effective Date, or subsequent thereto, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

**5.4** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Credit Agreement, as amended by this Amendment, have been duly authorized;

**5.5** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Credit Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

**5.6** The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Credit Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower; and

**5.7** This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

**6. Counterparts.** This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

**7. Effectiveness.** This Amendment shall become effective as of the date first written above only upon satisfaction in full in the discretion of the Administrative Agent of each of the following conditions (the "**Third Amendment Effective Date**"):

**7.1** The Administrative Agent shall have received a copy of this Amendment duly executed and delivered by all of the Lenders, the Borrower, each other Loan Party and the Administrative Agent;

**7.2** The representations and warranties of or on behalf of the Loan Parties in this Amendment are true, accurate and complete (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date) on and as of the Third Amendment Effective Date;

**7.3** The Loan Parties shall have paid all outstanding costs and expenses owed to the Administrative Agent pursuant to Section 9.03 of the Credit Agreement, including, without limitation, all reasonable fees, charges and disbursements of counsel for the Administrative Agent;

**7.4** The Administrative Agent shall have received on or prior to the Third Amendment Effective Date, a prepayment of the Obligations to be applied as set forth in Section 2.11(e) of the Credit Agreement in an amount equal to fifty percent (50%) of the Borrower's Excess Cash Flow for the period commencing on October 31, 2017 through December 31, 2017.

**7.5** The Administrative Agent shall have received all other documents, opinions or materials requested by the Administrative Agent, in each case, in form and substance reasonably acceptable to the Agent.

**8. Ratification, etc**. Except as expressly amended or otherwise modified hereby, the Credit Agreement, each other Loan Document and all documents, instruments and agreements related thereto are hereby ratified and confirmed in all respects and shall continue in full force and effect. This Amendment shall constitute a Loan Document. The Loan Parties hereby ratify and reaffirm the validity and enforceability of all of the Liens and security interests heretofore granted and pledged by the Loan Parties pursuant to the Loan Documents to which it is a party to the Administrative Agent, on behalf and for the benefit of the Lenders, as collateral security for the Secured Obligations, and acknowledge that all of such Liens and security interests, granted, pledged or otherwise created as security for the Secured Obligations continue to be and remain collateral security for the Secured Obligations from and after the Third Amendment Effective Date.

9. **Reference to and Effect on the Credit Agreement**.

**9.1** Upon the effectiveness of this Amendment, (A) each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby and (B) each reference in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended or otherwise modified hereby.

**9.2** Except as specifically waived, amended or otherwise modified above, the terms and conditions of the Credit Agreement and any other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect and are hereby ratified and confirmed.

**9.3** The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, in each case except as specifically set forth herein.

**10. RELEASE**. IN CONSIDERATION OF THIS AMENDMENT, THE LOAN PARTIES HEREBY IRREVOCABLY RELEASE AND FOREVER DISCHARGE THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH OF THEIR RESPECTIVE AFFILIATES, SUBSIDIARIES, SUCCESSORS, ASSIGNS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES AND ATTORNEYS (EACH, A “**RELEASED PERSON**”) OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS AND CAUSES OF ACTION WHATSOEVER WHICH ANY LOAN PARTY MAY NOW HAVE OR CLAIM TO HAVE ON AND AS OF THE THIRD AMENDMENT EFFECTIVE DATE AGAINST ANY RELEASED PERSON, WHETHER PRESENTLY KNOWN OR UNKNOWN, LIQUIDATED OR UNLIQUIDATED, SUSPECTED OR UNSUSPECTED, CONTINGENT OR NON-CONTINGENT, AND OF EVERY NATURE AND EXTENT WHATSOEVER (COLLECTIVELY, “**CLAIMS**”) WITH RESPECT TO THE LOAN DOCUMENTS, OTHER THAN ANY CLAIM ARISING SOLELY OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH RELEASED PERSON.

**11. Governing Law**. This Amendment shall be governed by and construed in accordance with the internal laws of the State of New York, but giving effect to federal laws applicable to national banks.

**[*Balance of Page Intentionally Left Blank*]**

**IN WITNESS WHEREOF,** the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

THE MEET GROUP, INC., as Borrower

By:__
Name:__
Title:__

SKOUT, LLC, as a Loan Guarantor

By:__
Name:__
Title:__

IFWE, INC., as a Loan Guarantor

By:__
Name:__
Title:__

COLLECTED LABS LLC, as a Loan Guarantor

By:__
Name:__
Title:__

STIG, LLC, as a Loan Guarantor

By:__
Name:__
Title:__

HI5 INC., as a Loan Guarantor

By:__
Name:__
Title:__

[*Signature Page to Third Amendment to Amended and Restated Credit Agreement*]

JPMORGAN CHASE BANK, N.A., individually, and as Administrative Agent, the Swingline Lender and Issuing Bank

By:__
Name:__
Title:__

JPMORGAN CHASE BANK, N.A., as Lender

By:__
Name:__
Title:__

SILICON VALLEY BANK, as a Lender

By:__
Name:__
Title:__

KEYBANK NATIONAL ASSOCIATION

By:__
Name:__
Title:__

CADENCE BANK, N.A.

By:__
Name:__
Title:__

**[*Signature Page to Third Amendment to Amended and Restated Credit Agreement*]**


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# Section 3: EX-99.1 (EARNINGS RELEASE)

**Exhibit 99.1**

**The Meet Group Reports Second Quarter 2018 Financial Results**

**NEW HOPE, Pa., August 1, 2018** – The Meet Group, Inc. (NASDAQ: MEET), a public market leader in the mobile meeting space, today reported financial results for its second quarter ended June 30, 2018.

**Second Quarter 2018 Financial Highlights**

- Total revenue of $42.8 million, up 37% year over year
- GAAP net loss of $0.2 million, or $0.00 per diluted share, compared to GAAP net income of $0.9 million, or $0.01 per diluted share in the prior year quarter
- Adjusted EBITDA of $7.6 million, up 3% from the prior year quarter
- Non-GAAP net income of $6.4 million, or $0.08 per diluted share, compared to $6.6 million or $0.09 per diluted share in the prior year quarter

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

“Our strong momentum continued into the second quarter,” said Geoff Cook, Chief Executive Officer. “We made outstanding progress in video and reported better than anticipated results in advertising, contributing to growth in revenue and Adjusted EBITDA. Combined with our recent rollout of Live to Lovoo and the beta launch on MeetMe of Quick, our new 1-on-1 livestreaming feature, we believe we have set the stage for sustainable long-term revenue growth.

“Our investment in livestreaming video continues to yield strong results,” continued Cook. “The number of video users and video revenue per user both increased sequentially. In less than two years, Live has become foundational to our business, central to our user experience and a key driver of our improving financial performance. No product in our history has grown faster and none has transformed our company to the degree that Live has. What’s more, we have further diversified our business and are now generating 60% of our revenue from user pay, up from 26% in the year ago quarter. In July alone, we increased the annualized revenue run rate for video to $37 million, up from $35 million in June. Having now rolled out Live to all of our apps, we believe the opportunity to continue to grow video engagement and revenue is significant.”

In addition to announcing its second quarter results, the Company announced that Nick Hermansader has re-joined the company as Senior Vice President of Advertising. Nick joined The Meet Group from Imgur, an image sharing and hosting network. He previously worked at The Meet Group, having served as Vice President of Advertising Operations from 2013 to 2017. Additionally, Bill Alena, Chief Revenue Officer of The Meet Group, has left the Company effective July 31, 2018 to pursue other opportunities.

Cook commented, “I am thrilled to have Nick rejoin our team. He brings a wealth of knowledge and a data-driven approach to managing mobile and online advertising. We look forward to his contributions to the team.”

Continued Cook, “Bill has been a tremendous contributor to our company for many years. He joined us as the Vice President of Advertising at myYearbook in 2007 and served as Chief Revenue Officer of The Meet Group since 2011. He was instrumental in creating our advertising strategy. I want to thank Bill for his tremendous contributions to our company. We wish him well in the future.”

**Second Quarter Financial Results**

For the second quarter of 2018, the Company reported revenue of $42.8 million, an increase of 37% from $31.3 million in the prior year quarter.

GAAP net loss was $0.2 million, or $0.00 per diluted share, compared to GAAP net income of $0.9 million, or $0.01 per diluted share in the prior year quarter. Adjusted EBITDA in the second quarter of 2018 was $7.6 million compared to $7.4 million in the prior year quarter.

The Company ended the quarter with $20.9 million in cash and cash equivalents.

**Company Outlook**

The Company is providing the following outlook for the third quarter of 2018 and is increasing its outlook for the full year 2018.

Third quarter 2018:

- Revenue in the range of $43 million to $44 million
- Adjusted EBITDA in the range of $7.4 million to $7.8 million

Full year 2018:

- Revenue in the range of $166 million to $168 million
- Adjusted EBITDA in the range of $27 million to $28 million

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

| | June 30, 2018 | December 31, 2017 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 20,922,457 | $ 24,158,444 |
| Accounts receivable, net of allowance of $637,802 and $527,958 at June 30, 2018 and December 31, 2017, respectively | 23,866,941 | 26,443,675 |
| Prepaid expenses and other current assets | 5,253,503 | 3,245,174 |
| Total current assets | 50,042,901 | 53,847,293 |
| Restricted cash | 500,000 | 894,551 |
| Goodwill | 149,227,248 | 150,694,135 |
| Property and equipment, net | 3,632,350 | 4,524,118 |
| Intangible assets, net | 42,342,822 | 48,719,428 |
| Deferred taxes | 16,115,201 | 15,521,214 |
| Other assets | 1,878,851 | 1,144,032 |
| **Total assets** | **$ 263,739,373** | **$ 275,344,771** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 5,325,941 | $ 6,277,846 |
| Accrued liabilities | 17,812,588 | 19,866,438 |
| Current portion of long-term debt | 15,000,000 | 15,000,000 |
| Current portion of capital lease obligations | 187,606 | 254,399 |
| Deferred revenue | 5,006,501 | 4,433,450 |
| Total current liabilities | 43,332,636 | 45,832,133 |
| Long-term capital lease obligations, less current portion, net | 110,056 | 192,137 |
| Long-term debt | 33,301,419 | 40,637,106 |
| Long-term derivative liability | 2,126,536 | 2,995,657 |
| Other liabilities | 114,340 | 147,178 |
| **Total liabilities** | **78,984,987** | **89,804,211** |
| **STOCKHOLDERS' EQUITY:** | | |
| Preferred stock, $.001 par value; authorized - 5,000,000 shares; 0 shares issued and outstanding at June 30, 2018 and December 31, 2017 | — | — |
| Common stock, $.001 par value; authorized - 100,000,000 shares; 73,121,962 and 71,915,018 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively | 73,118 | 71,918 |
| Additional paid-in capital | 412,213,959 | 408,029,068 |
| Accumulated deficit | (225,867,346) | (221,435,888) |
| Accumulated other comprehensive loss | (1,665,345) | (1,124,538) |
| **Total stockholders' equity** | **184,754,386** | **185,540,560** |
| **Total liabilities and stockholders' equity** | **$ 263,739,373** | **$ 275,344,771** |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| Revenues | $ 42,801,745 | $ 31,329,468 | $ 80,439,538 | $ 51,388,265 |
| Operating costs and expenses: | | | | |
| Sales and marketing | 7,753,486 | 4,599,842 | 14,801,479 | 9,705,350 |
| Product development and content | 24,411,288 | 16,526,905 | 46,512,825 | 24,984,399 |
| General and administrative | 5,154,103 | 5,160,799 | 10,623,281 | 8,023,226 |
| Depreciation and amortization | 3,505,180 | 2,965,175 | 7,134,783 | 4,650,014 |
| Acquisition and restructuring | 1,036,602 | 3,769,425 | 4,386,553 | 5,269,854 |
| Total operating costs and expenses | 41,860,659 | 33,022,146 | 83,458,921 | 52,632,843 |
| Income (loss) from operations | 941,086 | (1,692,678) | (3,019,383) | (1,244,578) |
| Other income (expense): | | | | |
| Interest income | 2,742 | 1,400 | 9,950 | 3,970 |
| Interest expense | (671,294) | (175,254) | (1,278,980) | (177,586) |
| Gain (loss) on foreign currency transactions | 4,216 | (9,229) | 107,259 | (11,429) |
| Other | 28,571 | — | 21,627 | — |
| Total other expense | (635,765) | (183,083) | (1,140,144) | (185,045) |
| Income (loss) before income tax benefit | 305,321 | (1,875,761) | (4,159,527) | (1,429,623) |
| Income tax benefit (expense) | (540,593) | 2,732,356 | (288,406) | 2,732,064 |
| Net income (loss) | $ (235,272) | $ 856,595 | $ (4,447,933) | $ 1,302,441 |
| | | | | |
| Basic and diluted net income (loss) per common stockholder: | | | | |
| Basic net income (loss) per common stockholder | $ — | $ 0.01 | $ (0.06) | $ 0.02 |
| Diluted net income (loss) per common stockholder | $ — | $ 0.01 | $ (0.06) | $ 0.02 |
| | | | | |
| Weighted average shares outstanding: | | | | |
| Basic | 72,753,487 | 70,122,234 | 72,369,619 | 65,632,962 |
| Diluted | 72,753,487 | 74,885,903 | 72,369,619 | 70,569,243 |

**THE MEET GROUP, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**

| | Six Months Ended June 30, 2018 | Six Months Ended June 30, 2017 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net income (loss) | $ (4,447,933) | $ 1,302,441 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 7,134,783 | 4,650,014 |
| Stock-based compensation expense | 4,259,795 | 3,502,350 |
| Deferred taxes | (441,417) | (444,230) |
| (Gain) loss on foreign currency transactions | (107,259) | 11,429 |
| Bad debt expense | 290,426 | 26,000 |
| Amortization of loan origination costs | 164,313 | 34,342 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 2,141,980 | 5,862,051 |
| Prepaid expenses, other current assets and other assets | (2,426,711) | 1,610,514 |
| Accounts payable and accrued liabilities | 2,344,109 | 161,914 |
| Deferred revenue | 686,332 | (54,560) |
| **Net cash provided by operating activities** | **9,598,418** | **16,662,265** |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (256,391) | (595,126) |
| Acquisition of business, net of cash and restricted cash acquired | — | (65,802,792) |
| **Net cash used in investing activities** | **(256,391)** | **(66,397,918)** |
| **Cash flows from financing activities:** | | |
| Proceeds from exercise of stock options | 232,416 | 2,778,176 |
| Proceeds from issuance of common stock | — | 42,995,371 |
| Proceeds from exercise of warrants | — | 2,396,250 |
| Payments of capital leases | (142,043) | (139,541) |
| Proceeds from long-term debt | — | 15,000,000 |
| Payments for restricted stock awards withheld for taxes | (306,120) | (507,398) |
| Payments of contingent consideration | (5,000,000) | — |
| Payments on long-term debt | (7,500,000) | (1,875,000) |
| **Net cash (used in) provided by financing activities** | **(12,715,747)** | **60,647,858** |
| Change in cash, cash equivalents, and restricted cash prior to effects of foreign currency exchange rate | (3,373,720) | 10,912,205 |
| Effect of foreign currency exchange rate (translation) | (256,818) | (11,429) |
| Net (decrease) increase in cash, cash equivalents, and restricted cash | (3,630,538) | 10,900,776 |
| **Cash, cash equivalents, and restricted cash at beginning of period** | **25,052,995** | **22,246,015** |
| **Cash, cash equivalents, and restricted cash at end of period** | **$ 21,422,457** | **$ 33,146,791** |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 1,110,448 | $ 140,911 |

**THE MEET GROUP, INC. AND SUBSIDIARIES**
**RECONCILIATION OF TOTAL REVENUE**
**(UNAUDITED)**

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | | 2017[1] | | 2018 | | 2017[1] | |
| | $ | % | $ | % | $ | % | $ | % |
| User pay revenue | $ 25,570,553 | 59.7% | $ 8,144,890 | 26.0% | $ 47,976,083 | 59.6% | $ 9,760,165 | 19.0% |
| Advertising | 17,231,192 | 40.3% | 23,184,578 | 74.0% | 32,463,455 | 40.4% | 41,628,100 | 81.0% |
| Total revenue | $ 42,801,745 | 100.0% | $ 31,329,468 | 100.0% | $ 80,439,538 | 100.0% | $ 51,388,265 | 100.0% |

(1) Prior period amounts have not been adjusted under the modified retrospective adoption method.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| Net income (loss) | $ (235,272) | $ 856,595 | $ (4,447,933) | $ 1,302,441 |
| | | | | |
| Interest expense | 671,294 | 175,254 | 1,278,980 | 177,586 |
| Income tax (benefit) expense | 540,593 | (2,732,356) | 288,406 | (2,732,064) |
| Depreciation and amortization | 3,505,180 | 2,965,175 | 7,134,783 | 4,650,014 |
| Stock-based compensation expense | 2,090,870 | 2,368,192 | 4,259,795 | 3,502,350 |
| Acquisition and restructuring | 1,036,602 | 3,769,425 | 4,386,553 | 5,269,854 |
| (Gain) loss on foreign currency transactions | (4,216) | 9,229 | (107,259) | 11,429 |
| Adjusted EBITDA | $ 7,605,051 | $ 7,411,514 | $ 12,793,325 | $ 12,181,610 |
| | | | | |
| GAAP basic net income (loss) per common stockholder | $ — | $ 0.01 | $ (0.06) | $ 0.02 |
| GAAP diluted net income (loss) per common stockholder | $ — | $ 0.01 | $ (0.06) | $ 0.02 |
| Basic adjusted EBITDA per common stockholder | $ 0.10 | $ 0.11 | $ 0.18 | $ 0.19 |
| Diluted adjusted EBITDA per common stockholder | $ 0.10 | $ 0.10 | $ 0.16 | $ 0.17 |
| | | | | |
| Weighted average shares outstanding: | | | | |
| Basic | 72,753,487 | 70,122,234 | 72,369,619 | 65,632,962 |
| Diluted | 78,240,935 | 74,885,903 | 77,574,279 | 70,569,243 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| GAAP Net income (loss) | $ (235,272) | $ 856,595 | $ (4,447,933) | $ 1,302,441 |
| | | | | |
| Stock-based compensation expense | 2,090,870 | 2,368,192 | 4,259,795 | 3,502,350 |
| Amortization of intangibles | 2,954,485 | 2,378,152 | 6,011,094 | 3,604,307 |
| Income tax (benefit) expense | 540,593 | (2,732,356) | 288,406 | (2,732,064) |
| Acquisition and restructuring | 1,036,602 | 3,769,425 | 4,386,553 | 5,269,854 |
| Non-GAAP net income | $ 6,387,278 | $ 6,640,008 | $ 10,497,915 | $ 10,946,888 |
| | | | | |
| GAAP basic net income (loss) per common stockholder | $ — | $ 0.01 | $ (0.06) | $ 0.02 |
| GAAP diluted net income (loss) per common stockholder | $ — | $ 0.01 | $ (0.06) | $ 0.02 |
| Basic Non-GAAP net income per common stockholder | $ 0.09 | $ 0.09 | $ 0.15 | $ 0.17 |
| Diluted Non-GAAP net income per common stockholder | $ 0.08 | $ 0.09 | $ 0.14 | $ 0.16 |
| | | | | |
| Weighted average shares outstanding: | | | | |
| Basic | 72,753,487 | 70,122,234 | 72,369,619 | 65,632,962 |
| Diluted | 78,240,935 | 74,885,903 | 77,574,279 | 70,569,243 |

## Webcast and Conference Call Details

Management will host a webcast and conference call to discuss second quarter 2018 financial results today, August 1, 2018 at 8:30 a.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 1467378 to the operator. An audio replay will be available at 855-859-2056 domestically or 404-537-3406 internationally, using passcode 1467378 through August 8, 2018. 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 portfolio of mobile social entertainment apps designed to meet the universal need for human connection. We leverage a powerful live-streaming video platform, empowering our global community to forge meaningful connections. Our primary apps, MeetMe©, LOVOO©, Skout©, and Tagged©, keep millions of mobile daily active users entertained and engaged and originate untold numbers of casual chats, friendships, dates, and marriages. Our apps, available on iPhone, iPad, and Android in multiple languages, use innovative products and sophisticated data science to let our users stream live video, send gifts, chat, and share photos. The Meet Group has a diversified revenue mix consisting of in-app purchases, subscription, and advertising, and we have offices in New Hope, Philadelphia, 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 third quarter 2018 and full year 2018 revenue and Adjusted EBITDA will be in the projected range, whether momentum will continue as expected, whether we have set the stage for sustainable long-term revenue growth as expected, whether our investment in livestreaming video will continue to yield strong results and whether the opportunity to continue to grow video engagement and revenue is significant. 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, 2017 filed with the SEC on March 16, 2018 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 filed with the SEC on May 7, 2018. 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, Skout and Lovoo.

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, goodwill and long-lived asset impairment charges, 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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