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

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 12, 2018

THEMAVEN, INC.
(Exact name of Registrant as specified in its charter)

Delaware	1-12471	68-0232575
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. Employer Identification No.)

1500 Fourth Avenue, Suite 200, Seattle, Washington	98101
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (775) 600-2765

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	MVEN	OTC Markets

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 (§230.405 of this chapter) or Rule 12b-2 of the Securities 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. [ ]

Explanatory Note for Amendment No. 1 to the Current Report on Form 8-K
for the Event Date of December 12, 2018

On December 12, 2018, TheMaven, Inc. (the "Company"), consummated the merger between Say Media, Inc. ("Say Media") and the Company's wholly-owned subsidiary, SM Acquisition Co., Inc. ("SMAC"), in which SMAC merged with and into Say Media, with Say Media continuing as the surviving corporation in the merger as a wholly-owned subsidiary of the Company (the "Merger"). The purpose of this Amendment No. 1 is to file the requisite financial statements and pro forma financial information relating to the Merger.

Item 9.01 — Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

Exhibit 9.01(a)(1) Audited financial statements of Say Media, Inc. for the years ended December 31, 2017 and 2016

Exhibit 9.01(a)(2) Interim unaudited condensed financial statements of Say Media, Inc. for the nine months ended September 30, 2018 and 2017

(b) Pro Forma Financial Information

Exhibit 9.01(b)(1) Pro forma financial information relating to the Merger as of and for the nine months ended September 30, 2018 and the year ended December 31, 2017

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.

	THEMAVEN, INC.
Dated: June 3, 2020	By: */s/ Douglas B. Smith*
	Name: Douglas B. Smith
	Title: Chief Financial Officer

Exhibit 9.01(a)(1)

SAY Media, Inc.

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016

SAY Media, Inc.

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Independent Auditor's Report

Board of Directors
SAY Media, Inc.
San Francisco, California

We have audited the accompanying consolidated financial statements of SAY Media, Inc., which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SAY Media, Inc. as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ BDO USA, LLP
Seattle, Washington

August 17, 2018

SAY Media, Inc.

Consolidated Balance Sheets

December 31,		**2017**		2016
Assets				
Current Assets				
Cash	**$**	**334,271**	$	969,443
Restricted cash		**120,588**		120,448
Accounts receivable, net		**2,632,999**		3,550,088
Prepaid expenses and other current assets		**517,992**		576,933
Total Current Assets		**3,605,850**		5,216,912
Non-Current Assets				
Property, plant and equipment, net		**44,952**		174,308
Goodwill		**14,517,219**		14,517,219
Other assets		**84,284**		71,528
Internal-use software, net		**1,485,909**		793,447
Total Assets	**$**	**19,738,214**	$	20,773,414

See accompanying notes to consolidated financial statements.

SAY Media, Inc.

Consolidated Balance Sheets

December 31,		**2017**		2016
Liabilities and Stockholders' Equity (Deficit)				
Current Liabilities				
Accounts payable	**$**	**3,831,000**	$	5,623,514
Accrued expenses and other liabilities		**1,694,703**		1,152,985
Accrued compensation		**1,217,234**		1,343,887
Income tax payable		**355,063**		-
Deferred revenue		**247,680**		-
Current portion of loans payable to related parties		**250,000**		250,000
Current portion of long-term debt		**1,700,846**		26,825,500
Total Current Liabilities		**9,296,526**		35,195,886
Deferred rent		-		554,901
Lease deposit from subtenant		**806,420**		806,420
Loans payable to related party, net of current portion		**6,210,000**		1,250,000
Long-term debt, net of current portion		**-**		400,000
Total Liabilities		**16,312,946**		**38,207,207**
Commitments and Contingencies (Note 4)				
Stockholders' Equity (Deficit)				
Convertible Series Alpha Preferred Stock, $0.0001 par value; 70,000,000 shares authorized, 56,760,766 issued and outstanding; aggregate liquidation preference of $13,062,832		**5,676**		5,676
Common stock, $0.0001 par value; 160,000,000 shares authorized, 148,424,244 and 148,394,244 shares issued and outstanding at December 31, 2017 and 2016		**14,842**		14,839
Additional paid in capital		**135,611,274**		135,535,970
Accumulated other comprehensive income		**75,274**		121,002
Accumulated deficit		**(132,281,798)**		(153,111,280)
Total Stockholders' Equity (Deficit)		**3,425,268**		(17,433,793)
Total Liabilities and Stockholders' Equity (Deficit)	**$**	**19,738,214**	$	20,773,414

See accompanying notes to consolidated financial statements.

SAY Media, Inc.

Consolidated Statements of Operations and Comprehensive Loss

Year Ended December 31,	**2017**	2016
Revenue	**$ 12,608,398**	$ 17,664,798
Cost of Revenue	**6,160,059**	7,345,022
Gross profit	**6,448,339**	10,319,776
Operating Expenses		
Research and development	**2,755,819**	1,040,875
Selling, general and administrative	**7,712,681**	17,683,886
Total Operating Expenses	**10,468,500**	18,724,761
Operating Loss	**(4,020,161)**	(8,404,985)
Gain on forgiveness of debt	**26,076,301**	-
Gain on settlements of accounts payable	**494,843**	3,664,752
Interest expense, net	**(1,212,331)**	(2,142,319)
Other expense, net	**(154,107)**	(133,587)
Income (Loss) Before Income Taxes	**21,184,545**	(7,016,139)
Provision for income taxes	**355,063**	-
Net Income (Loss)	**20,829,482**	(7,016,139)
Foreign currency translation adjustments	**(45,728)**	61,824
Comprehensive Income (Loss)	**$ 20,783,754**	$ (6,954,315)

See accompanying notes to consolidated financial statements.

SAY Media, Inc.

Consolidated Statements of Changes in Stockholders' Equity (Deficit)

	Series Alpha Preferred Stock		Common Stock		Additional Paid	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	in Capital	Income	Deficit	Equity (Deficit)
Balance, January 1, 2016	**56,760,766**	**$ 5,676**	**169,171,491**	**$ 16,917**	**$ 135,609,563**	**$ 59,178**	**$ (146,095,141)**	**$ (10,403,807)**
Restricted stock forfeiture	-	-	(20,818,914)	(2,082)	(312,100)	-	-	(314,182)
Exercise of stock options	-	-	41,667	4	829	-	-	833
Stock-based compensation	-	-	-	-	237,678	-	-	237,678
Foreign currency translation adjustment	-	-	-	-	-	61,824	-	61,824
Net loss	-	-	-	-	-	-	(7,016,139)	(7,016,139)
Balance, December 31, 2016	**56,760,766**	**$ 5,676**	**148,394,244**	**$ 14,839**	**$ 135,535,970**	**$ 121,002**	**$ (153,111,280)**	**$ (17,433,793)**
Exercise of stock options	-	-	30,000	3	597	-	-	600
Stock-based compensation	-	-	-	-	74,707	-	-	74,707
Foreign currency translation adjustment	-	-	-	-	-	(45,728)	-	(45,728)
Net income	-	-	-	-	-	-	20,829,482	20,829,482
Balance, December 31, 2017	**56,760,766**	**$ 5,676**	**148,424,244**	**$ 14,842**	**$ 135,611,274**	**$ 75,274**	**$ (132,281,798)**	**$ 3,425,268**

See accompanying notes to consolidated financial statements.

SAY Media, Inc.

Consolidated Statements of Cash Flows

Year Ended December 31,		**2017**		2016
Operating Activities				
Net income (loss)	**$**	**20,829,482**	$	(7,016,139)
Adjustments to reconcile net income (loss) to cash used in operating activities:				
Depreciation		**134,352**		217,411
Amortization		**1,139,796**		1,085,717
Amortization of debt issue costs and debt discount		**205,883**		232,476
Stock-based compensation, net of restricted stock forfeiture		**74,707**		(76,504)
Interest accrued as debt		**960,828**		1,565,860
Gain on forgiveness of debt		**(26,076,301)**		-
Gain on settlements of accounts payable		**(494,843)**		(4,159,596)
Changes in operating assets and liabilities:				
Accounts receivable		**917,089**		4,099,729
Prepaid expenses and other assets		**46,185**		86,120
Accounts payable		**(1,297,671)**		(336,991)
Accrued expenses and other liabilities		**541,718**		(1,527,932)
Accrued compensation		**(126,653)**		(552,842)
Income tax payable		**355,063**		-
Deferred revenue		**247,680**		(20,132)
Deferred rent		**(554,901)**		(72,371)
Net Cash Used in Operating Activities		**(3,097,586)**		(6,475,194)
Investing Activities				
Purchases of property and equipment and internal-use software		**(1,837,254)**		(1,041,109)
Net Cash Used in Investing Activities		**(1,837,254)**		(1,041,109)
Financing Activities				
Proceeds from lines of credit		**4,628,500**		2,617,541
Payments on lines of credit		**(3,526,897)**		-
Proceeds from term debt		-		3,176,164
Payments on term debt		**(1,350,000)**		(496,680)
Proceeds from related party debt		**5,120,000**		1,250,000
Payments on related party debt		**(160,000)**		-
Payments on note payable to vendor		**(366,667)**		-
Proceeds from exercises of common stock options		**600**		833
Net Cash Provided by Financing Activities		**4,345,536**		6,547,858
Effect of exchange rate changes on cash and restricted cash		**(45,728)**		61,824
Net Change in Cash and Restricted Cash		**(635,032)**		(906,621)
Cash and Restricted Cash, beginning of year		**1,089,891**		1,996,512
Cash and Restricted Cash, end of year	**$**	**454,859**	$	1,089,891
Supplemental Disclosure of Noncash Financing Activity				
Note payable issued to vendor in lieu of cash	**$**	-	$	851,946

See accompanying notes to consolidated financial statements.

1. Natural of Operations and Description of Business

SAY Media, Inc. (the "Company") is a digital media company. The Company enables brand advertisers to engage today's social media consumer through rich advertising experiences across its network of web properties. The Company was incorporated in the state of Delaware on March 17, 2005, and its corporate headquarters is located in San Francisco, California. The Company has subsidiaries located in the United Kingdom, Canada.

Liquidity and Capital Resources

The Company's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company's activities are subject to significant risks and uncertainties, including the need for additional capital, as described below.

The Company has incurred significant operating losses since inception. The Company expects to continue to incur operating losses into the foreseeable future and will likely require additional capital resources in order to sustain its operations under its current operating plan. Management plans to finance the Company's operations with revenues, sales of non-strategic assets and debt and equity arrangements. The accompanying consolidated financial statements have been prepared assuming the Company will continue to operate as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

The Company believes that it does not have funds to support its operations for at least one year beyond the date these consolidated financial statements were issued and that it will require additional financing to continue as a going concern. However, no assurances can be provided that the additional funding or alternative financing will be available at the terms acceptable to the Company, if at all. Failure to obtain additional financing in such circumstances may require the Company to significantly curtail its operations and/or dispose of certain operations or assets. As such, management have concluded that there is substantial doubt as to the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Certain Significant Risks and Uncertainties

The Company participates in a dynamic media and technology industry. Changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows: advances and trends in new technologies; competitive pressures; changes in the overall demand for its services, acceptance of the Company's services; litigation or claims against the Company based on intellectual property, patent, regulatory, or other factors; and the Company's ability to attract and retain employees.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, the allowance for doubtful accounts, depreciation and amortization, the valuation allowance for deferred tax assets, and stock-based compensation.

The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances at the time. Accordingly, actual results could differ from those estimates under different assumptions or conditions.

Concentrations of Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company's cash balances are with federally insured banks and periodically exceed the current insured limits. The Company has not experienced any losses on its cash and cash equivalents.

The Company provides credit, in the normal course of business, to a number of companies and performs credit evaluations of its customers. Accounts receivable from eight customers comprised 50% of total accounts receivable as of December 31, 2017, and revenue from seven customers represented 51% of total revenue for the year ended December 31, 2017. Accounts receivable from six customers comprised 53% of total accounts receivable as of December 31, 2016 and revenue from eight customers represented 53% of total revenue for the year ended December 31, 2016.

Accounts Receivable

The Company records accounts receivable at the invoiced amount and does not charge interest. The Company maintains an allowance for doubtful accounts to reserve for potentially uncollectible receivables. The Company reviews accounts receivable for amounts that are past due, to identify specific customers with known disputes or collectability issues. In determining the amount of the allowance, the Company makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations and historical credits issued. The allowance for doubtful accounts was $60,000 and $93,000 at December 31, 2017 and 2016, respectively.

Property and equipment

Property and equipment are stated at cost and are depreciated on a straight-line basis over their estimated useful lives as follows as of December 31, 2017 and 2016:

Asset type	Useful life
Computer equipment and purchased software	3 years
Leasehold improvements	Lesser of useful life or lease terms
Furniture and fixtures	3 years

The Company periodically evaluates the carrying value of long-lived assets to be held and used when events or circumstances warrant such a review. The carrying value of a long-lived asset to be held and used is considered impaired when the anticipated separately identifiable undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily by reference to the anticipated cash flows discounted at a rate commensurate with the risk involved. No impairment charges have been recorded in the periods presented.

Internal-Use Software

The Company capitalizes costs when there are substantial enhancements to existing products, preliminary development efforts are successfully completed and it is probable that the project will be completed and the software will be used as intended. The Company develops new infrastructure, applications and software products in order to host partner web properties, the Company's owned and operated web properties and support the Company's digital media publishing.

The Company capitalizes the relevant costs to develop applications, infrastructure, ad experience and site software products to support its technology, publishing and advertising platforms (collectively referred as capitalized software costs). Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed. Costs incurred for enhancements that are expected to result in additional functionality are capitalized and expensed over the estimated useful life of the upgrades.

During the years ended December 31, 2017 and 2016, the Company capitalized $1,792,000 and $835,000, respectively, of internal-use software development costs, and recorded amortization expense associated with previously capitalized internal-use software costs in the amounts of $1,040,000 and $1,086,000, respectively.

The Company periodically evaluates the carrying value of capitalized software costs when events or circumstances warrant such a review. The carrying value of capitalized software costs is considered impaired when the anticipated separately identifiable undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the capitalized software costs. Fair value is determined primarily by the cost method. No impairment charges have been recorded in the period presented.

Capitalized software development costs are amortized on a straight-line basis over two years, which is the estimated useful life of the related asset.

Revenue Recognition

The Company generates revenue primarily from the delivery of digital advertisements for brand advertisers and agencies through its hosted sites. For all revenue transactions, the Company considers a signed agreement, a binding insertion order or other similar documentation to be persuasive evidence of an arrangement with a fixed fee. Revenue is recognized when the related services are delivered based on the specific terms of the contract, which are commonly based on the number of engagements delivered or by the actions of the viewers. The Company recognizes revenue based on delivery information from a combination of third-party reporting and the Company's proprietary campaign tracking systems. Arrangements for these services generally have a term of up to three months and in some cases the term may be up to two years. At that time, the Company's services have been provided, the fees charged are fixed or determinable, persuasive evidence of an arrangement exists, and collectability is reasonably assured. Amounts received in advance of providing services are recorded as deferred revenue in the accompanying consolidated balance sheets.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Company is acting as the principal or an agent in the transaction. In determining whether the Company acts as the principal or an agent, the Company follows the accounting guidance for principal-agent considerations. While none of the factors identified in this guidance is individually considered presumptive or determinative, because the Company is the primary obligor to its customers and is responsible for (i) identifying and contracting with third-party advertisers, (ii) establishing the selling prices of the advertisements sold, (iii) performing all billing and collection activities including retaining credit risk and (iv) bearing sole responsibility for fulfillment of the advertising, the Company acts as the principal in these arrangements and therefore reports revenue earned and costs incurred on a gross basis.

Service Costs

The Company's cost of revenue primarily consists of revenue-share payments made to digital media property owners, as well as all costs related to generating revenue, including bandwidth charges, video storage and delivery costs, co-location facility expenses, amortization of intangible assets, and allocated compensation and facility costs.

Advertising and Promotion Expense

The Company expenses advertising and promotional costs in the period in which they are incurred. For the years ended December 31, 2017 and 2016, advertising and promotional costs amounted to $34,105 and $43,542, respectively, and is included in selling, general, and administrative expenses in the accompanying statements of comprehensive loss.

Fair Value Measurements

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – Inputs that are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization include the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to income tax matters in income tax expense.

The Company recognized no uncertain tax positions or any accrued interest and penalties associated with uncertain tax positions for any of the periods presented in the accompanying consolidated financial statements. The Company files tax returns in the U.S. Federal jurisdiction and eight states including California. Generally, the Company is subject to examination by income tax authorities for three years from the filing of a tax return.

Stock-Based Compensation

The Company maintains a stock-based compensation plan whereby stock options have been granted for services performed by employees. The Company recognizes compensation expense related to the fair value of stock-based awards issued to its employees in its consolidated financial statements. The Company uses the Black-Scholes model to estimate the fair value of all stock-based awards on the date of grant. The Company recognizes the compensation expense for options on a straight-line basis over the requisite service period of the award.

Goodwill

Goodwill is recorded when the consideration paid for an acquisition exceeds the fair value of net tangible and intangible assets acquired. Goodwill is allocated to reporting units and tested for impairment on an annual basis or more frequently if the Company believes indicators of impairment exist. The Company has determined that there is one reporting unit for the purpose of performing its annual goodwill impairment test.

In testing for potential impairment of goodwill, the Company first compares the carrying value of assets and liabilities to their estimated fair value. If the estimated fair value is less than the carrying value, then potential impairment exists. The amount of any impairment is then calculated by determining the implied fair value of goodwill using a hypothetical purchase price allocation. Based on this assessment, the Company concluded that no goodwill impairment was necessary at either December 31, 2017 or 2016.

The amount of goodwill that is deductible for tax purposes is $3,700,000 as of December 31, 2017.

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries are the local currencies in the foreign subsidiaries' countries. Accordingly, all monetary assets and liabilities of these subsidiaries are translated at the current exchange rate at the end of the year, nonmonetary assets and liabilities are translated at historical rates, and revenue and expenses are translated at average exchange rates during the years ended December 31, 2017 and 2016. Net foreign currency transaction loss of $51,000 and $132,000 is included in other expense, net for the years ended December 31, 2017 and 2016, respectively.

Defined Contribution Retirement Plan

The Company's 401(k) Plan (the 401(k) Plan) is a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating U.S. employees may defer a portion of their pre-tax earnings, up to the IRS annual contribution limit. The Company has the option to provide matching contributions but has not done so to date.

Gain on Settlement of Accounts Payable

During the years ended December 31, 2017 and 2016, the Company entered into various settlement agreements whereby it made partial payments to 81 vendors in exchange for relief from accounts payable totaling $494,843 and $3,664,752, respectively. These amounts have been recorded as gain on settlement of accounts payable in the accompanying statements of operations and comprehensive loss in the period in which related settlement agreements were signed.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, as a new Topic, Accounting Standards Codification ("ASC") 606. The new revenue recognition standard relates to revenue from contracts with customers, which, along with amendments issued in 2015 and 2016, will supersede nearly all current U.S. GAAP guidance on this topic and eliminate industry-specific guidance. The underlying principle is to use a five-step analysis of transactions to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Additionally, the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including revenue recognition policies to identify performance obligations, assets recognized from costs incurred to obtain and fulfill a contract, and significant judgments in measurement and recognition. For non-public entities, the amendment is effective for annual reporting periods beginning on or after December 15, 2018. Early adoption is permitted, but only for years beginning on or after December 15, 2017, which is the date on which the standard becomes effective for public companies. The Company is still evaluating the impact adoption of this standard will have on its financial position, results of operations, and cash flows.

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). Under its core principle, a lessee will recognize lease assets and liabilities on the balance sheet for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. For non-public entities, the amendments are effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company is still evaluating the impact adoption of this standard will have on its financial position, results of operations, and cash flows.

3. Internal-Use Software

The balance of internal-use software consisted of the following as of December 31:

	2017	2016
Internal-use software	**$ 7,699,792**	$ 5,867,534
Less: accumulated amortization	**(6,213,883)**	(5,074,087)
Internal-Use Software, net	**$ 1,485,909**	$ 793,447

4. Commitments and Contingencies

Operating Leases

Rent expense for the years ended December 31, 2017 and 2016 was $554,741 and $929,258, respectively. The estimated future minimum rental payments required under the Company's operating leases as of December 31, 2017 are as follows for the years ending December 31:

2018	$ 159,375
2019	163,125
2020	82,500
Total	**$ 405,000**

Contingencies

From time to time, the Company may become involved in litigation. Management is not currently aware of any matters that will have a material adverse effect on the consolidated financial position, results of operations, or cash flows of the Company.

5. Stockholders' Equity and Rights and Preferences

The total number of shares the Company has the authority to issue is 230,000,000, consisting of 160,000,000 shares of Common Stock, $0.0001 par value per share, and 70,000,000 shares of Preferred Stock, $0.0001 par value per share. All 70,000,000 shares of Preferred Stock are designated "Series Alpha Preferred Stock."

Common Stock

The Company has authorized 160,000,000 shares of voting $0.0001 par value common stock. Each holder of the common stock is entitled to one vote per common share. At its discretion, the Board of Directors may declare dividends on shares of common stock.

Series Alpha Convertible Preferred Stock

As of December 31, 2017, 70,000,000 shares are classified as Series Alpha convertible preferred stock ("Series Alpha Preferred Stock").

On February 18, 2015, the Company entered into an agreement with a group of accredited investors to issue 66,091,416 shares of Series Alpha Preferred Stock at $0.0767 per share for proceeds of $5.07 million. On July 25, 2015, the Company issued an additional 9,776,724 shares of Series Alpha Preferred Stock to the same group of investors at $0.0767 per share for proceeds of $0.75 million. During the year ended December 31, 2015 19,107,374 shares of Series Alpha Preferred Stock converted to common stock at a rate of 50:1.

Voting - Each holder of Series Alpha Preferred Stock is entitled to vote on all matters and is entitled to the number of votes equal to the number of votes that would be accorded to the number of shares of common stock into which such holder's preferred stock would be converted.

Dividends - Dividends are payable on the Series Alpha Preferred Stock, if and when declared by the Board of Directors consistent with common stock. In the event that the Company were to declare a dividend payable to holders of common stock, it must first declare a dividend payable to holders of Series Alpha Preferred Stock equal to an amount equal to $0.006137 per annum per share. No dividends have been declared to date.

Liquidation - In the event of any liquidation, dissolution, or winding up of the Company, the holders of the Series Alpha Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Common Stock, an amount per share equal to the $0.2301384 per share plus any declared but unpaid dividends on such shares of Series Alpha Preferred Stock.

Redemption – Shares of Series Alpha Preferred Stock are not redeemable.

6. Stock-Based Compensation

The Company's Board of Directors has approved the 2015 Stock Plan. Under this stock option plan, the Board of Directors may grant up to 62,521,252 shares of incentive stock options, nonqualified stock options, or stock awards to eligible persons, including employees, nonemployees, members of the Board of Directors, consultants, and other independent advisors who provide services to the Company. In general, options are granted with an exercise price equal to the estimated fair value of the underlying common stock on the date of the grant. Options generally have a contractual life of ten years and vest over four years.

Valuation Method

The Company estimates the fair value of stock options granted using the Black-Scholes valuation model.

Expected Volatility

As the Company is privately held, there is no observable market for the Company's common stock. Accordingly, expected volatility has been estimated based on the historical volatilities of several unrelated publicly traded companies within the Company's industry that management considers to be comparable over a period equivalent to the expected term of the option grants.

Expected Dividend

The expected dividend assumption is based on the Company's current expectations about its anticipated dividend policy.

Expected Term

The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding based on the simplified method provided in Staff Accounting Bulletin Topic 110, *Certain Assumptions Used in Valuation Methods*.

Risk-free Interest Rate

The Company bases the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Forfeitures

Management has adopted Accounting Standards Update No. 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, and accounts for forfeitures as they occur.

The fair value of the Company's stock-based awards to employees during the years ended December 31, 2017 and 2016, was estimated using the following weighted-average assumptions:

	2017	2016
Volatility	75.0%	102.9%
Expected dividends	None	None
Expected term (in years)	6.02	6.02
Risk-free interest rate	2.12%	1.53%
Exercise price	$ 0.04	$ 0.02
Grant date fair value of options granted	$ 0.03	$ 0.01

Employee stock-based compensation expense of $74,707 and $237,678 for the years ended December 31, 2017 and 2016, respectively, is included in selling, general, and administrative expense in the consolidated statements of comprehensive loss.

The following table summarizes information about stock option activity for the year ended December 31, 2017:

	Outstanding Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in Years
Balance, January 1, 2017	16,896,914	$ 0.30	8.44
Granted	3,247,760	$ 0.04	
Exercised	(30,000)	$ 0.02	
Forfeited	(1,622,800)	$ 0.11	
Expired	(956)	$ 23.30	
Balance, December 31, 2017	18,490,918	$ 0.27	7.86
Exercisable, December 31, 2017	14,180,851	$ 0.34	7.49

As of December 31, 2017, there was $71,599 of total unrecognized compensation expense related to stock options granted which is expected to be recognized over a weighted-average period of approximately 4 years.

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7. Long-term Debt and Related Party Transactions

Total debt as of December 31, 2017 and 2016, consisted of the following:

	2017	2016
Opus Bank	$ -	$ 25,238,149
Silicon Valley Bank	1,101,602	-
Vendor note	431,378	798,044
Related parties	6,460,000	1,500,000
Interest accrued as debt	184,816	1,612,986
Less: unamortized issuance costs and discount	(16,950)	(423,679)
Debt, total	$ 8,160,846	$ 28,725,500
Less: current portion	(6,210,000)	(27,075,500)
Debt, non-current portion	$ 1,950,846	$ 1,650,000

As of December 31, 2017, scheduled principal payments of long-term debt, including debt with related parties, were $1,967,797 and $6,210,000 in the years ending December 31, 2018 and 2019, respectively.

Opus Bank

The Company had a term note, an asset-based loan, and a revolving line of credit with Opus Bank as of December 31, 2016. As of December 31, 2016 the Company was in default on this debt. On June 29, 2017, the Company signed a payoff letter with Opus Bank wherein all outstanding amounts at that date were forgiven in exchange for a one-time payment of $1,350,000. The Company made the payment and recognized gain on extinguishment of debt of $26,076,301 as a result of the debt forgiveness, which is included as gain on forgiveness of debt in the accompanying 2017 statement of comprehensive income. All material interest expense reflected in the accompanying statements of operations and comprehensive income (loss) relates to the Opus Bank debt.

Unamortized debt issuance costs and debt discount related to the Opus Bank debt totaled $423,679 as of December 31, 2016. All remaining unamortized amounts were written off on June 29, 2017 in conjunction with the payoff letter described above.

Silicon Valley Bank

On September 9, 2017, the Company entered into a Loan and Security Agreement with Silicon Valley Bank (“SVB”) which provides for a revolving line of credit with an interest rate equal to the Prime Rate plus 3.00% (or plus 5.00% in the event of default), a borrowing limit of $2,500,000, and a cash collateral account with SVB of $100,000. As of December 31, 2017, the interest rate was 7.50%. The SVB debt has a maturity date of September 6, 2018.

The SVB debt includes various financial and nonfinancial covenants, including a liquidity ratio and a minimum quarterly adjusted EBITDA ratio, as defined in the agreement. The Company was out of compliance with these covenants at December 31, 2017 and this debt is classified as a current liability.

Debt issuance costs of $16,950 at December 31, 2017 relate to the SVB debt.

Vendor Note

On July 1, 2016 the Company entered into a promissory note with a vendor to settle outstanding accounts payable to that vendor. The note had a beginning principal balance of $983,063 (reduced to $851,946 via amendment on August 10, 2016) and bears interest at 2% per annum simple interest on the principal amount only.

Loans Payable to Related Parties

On February 15, 2017 the Company entered into a loan agreement with an entity controlled by a significant shareholder of the Company. The loan provides for advances based on the terms of the loan document and interest of 1% per annum. The loan matures on February 15, 2019. As of December 31, 2017 and 2016, respectively, outstanding principal was $6,210,000 and $1,250,000.

The Company also had a note payable directly to the same significant shareholder. This $225,000 note was dated August 11, 2015, bears interest at 20% per annum, and is due and payable upon demand since the maturity date of November 12, 2015.

The Company also has a note payable with a different related party. This $25,000 note was dated August 28, 2015, bears interest at 20% per annum, and is due and payable upon demand since the maturity date of November 12, 2015.

8. Income Taxes

The Company's regular taxable income for both the year ended December 31, 2017 and 2016 was fully offset by the utilization of net operating loss carryforwards that reduced the Company's regular taxable income to zero. $355,063 of income tax payable and income tax expense was recognized in the accompanying consolidated financial statements as of and for the year ended December 31, 2017 as a result of Alternative Minimum Tax payable for that year.

Total gross deferred tax assets as of December 31, 2017 and 2016 were $7,879,591 and $18,339,141, respectively. Total gross deferred tax liabilities as of December 31, 2017 and 2016 were $181,233 and $2,625, respectively. The most significant component of deferred tax assets are Federal and state net operating loss carryforwards, R&D tax credits, foreign tax credits, and temporary differences arising from internal-use software capitalization.

There were no unrecognized tax benefits as of December 31, 2017 or 2016.

As of December 31, 2017, the Company has remaining Federal and state net operating loss carryforwards of approximately $8,177,342 and $25,597,175, respectively. The Federal loss carryforward begins to expire in 2025 and the state carryforwards begin to expire in 2026.

Under Section 382 and 383 of the Internal Revenue Code of 1986, as amended ("Section 382"), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses, or tax credits to offset future taxable income. The Company performed a Section 382 analysis based on an ownership change that occurred on February 18, 2015 and concluded that there are limitations on the utilization of the Company's net operating loss carryforwards under Section 382. The study concluded that from a total of $126,550,309 net operating losses available as of February 18, 2015, $123,834,356 will expire under the rules of Section 382.

The Company has assessed its ability to realize its deferred tax assets as of December 31, 2017 and 2016. Despite the Company recording net income in the year ended December 31, 2017, based on a history of losses and uncertainties surrounding the Company's ability to generate future taxable income to realize these deferred tax assets, the Company has determined it is more-likely-than-not that the net deferred tax assets are not fully realizable as of December 31, 2017 or 2016, and therefore a full valuation allowance has been recorded. The valuation allowance decreased by $9,230,405 and $27,009,831 during the years ended December 31, 2017 and 2016, respectively. The total valuation allowance was $9,262,471 and $18,336,516 at December 31, 2017 and 2016, respectively.

In December 2017, the Tax Cuts and Jobs Act (the "2017 Act) was enacted. The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact the company, most notably a reduction of the U.S. corporate income tax rate from 35 percent to 21 percent for tax years beginning after December 31, 2017. The 2017 Tax Act also provides for the acceleration of depreciation for certain assets placed in service after September 27, 2017 as well as prospective changes beginning in 2018, including additional limitations on executive compensation, limitations on the deductibility of interest and capitalization of research and development expenditures.

The company recognized the income tax effects of the 2017 Tax Act in its 2017 financial statements in accordance with Staff Accounting Bulletin No. 118, which provides SEC staff guidance for the application of ASC Topic 740, Income Taxes, in the reporting period in which the 2017 Act was signed into law. As such, the Company's financial results reflect the income tax effects of the 2017 Tax Act for which the accounting under ASC Topic 740 is complete and provisional amounts for those specific income tax effects of the 2017 Tax Act for which the accounting under ASC Topic 740 is incomplete but a reasonable estimate could be determined.

Reduction of the U.S. Corporate Income Tax Rate

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. Accordingly, the Company's deferred tax assets and liabilities were remeasured to reflect the reduction in the U.S. corporate income tax rate from the highest graduated tax 35 percent to a 21 percent flat tax, resulting in a net decrease of $5,151,431 in the gross deferred tax assets for the year ended December 31, 2017.

9. Subsequent Events

The Company has evaluated subsequent events through August 17, 2018, which is the date the consolidated financial statements were available to be issued, and did not identify any items that would require adjustment of the consolidated financial statements or additional disclosure, beyond those items identified below.

On March 9, 2018, the company entered an account sale and purchase with Sallyport Commercial Finance, LLC to increase working capital through accounts receivable factoring for 12 months with a $3,500,000 maximum facility limit. The combined interest and factoring fee rate under the agreement is 7.00% plus the greater of 4.50% or the prime rate.

On March 12, 2018, the company paid off the loan with Silicon Valley Bank in total in exchange for a payment of $846,767.

On August 4, 2018, theMaven, Inc., and the Company entered into an Amended & Restated Asset Purchase Agreement (the “APA”), pursuant to which theMaven plans to acquire substantially all of the assets of the Company and assume certain liabilities of the Company (the “Acquisition”).

Pursuant to the APA, theMaven shall (i) pay to the Company $5,887,072 in cash consideration at closing, up to $1,250,000 of which shall be paid by cancelling (x) a $1,000,000 Promissory Note of the Company dated March 26, 2018 previously issued to theMaven and (y) a $250,000 Promissory Note of the Company dated July 23, 2018 previously issued to theMaven, (ii) issue to the Company a secured promissory note in the principal amount of $7,434,003, due on December 10, 2018 (the “Note”), (iii) issue (A) 1,840,000 restricted shares of common stock of theMaven to the Company and (B) 160,000 restricted shares of common stock of theMaven, plus that number of convertible securities equal to $350,000 divided by the lowest price per share paid in theMaven’s then most recent equity financing, to Say What, LLC (“Say What”), in partial satisfaction of certain senior promissory notes issued by the Company to Say What, (iv) pay the Company’s legal fees and expenses in connection with the transaction, up to $250,000, (v) on or before October 15, 2018, deliver a Letter of Credit to the Company as partial security for theMaven’s obligations under the Note, (vi) reimburse the Company for its legal, accounting and other costs incurred in connection with the winding down and dissolution of the Company, in an aggregate amount not to exceed $300,000, and (vii) issue to certain employees and consultants of the Company who will continue to be service providers of theMaven, a further 2,000,000 restricted shares of Common Stock of theMaven.

The APA contains typical representations and warranties by the Company about its business, operations and financial condition. Consummation of the Acquisition is subject to certain customary closing conditions. TheMaven will have to obtain financing for the Letter of Credit in October 2018 and for the repayment of the Note in December 2018, and there can be no assurance that theMaven will be able to obtain the necessary funds on terms acceptable to it or at all.

Subject to the satisfaction or waiver of all closing conditions, theMaven expects to consummate the Acquisition by August 20, 2018. Should theMaven not be able to consummate the Merger by August 20, 2018 due to its inability to obtain the funds necessary to pay the requisite consideration, and the Company terminates the APA, theMaven shall be obligated to terminate the $1,250,000 Promissory Notes due to theMaven.

Exhibit 9.01(a)(2)

SAY MEDIA, INC. AND SUBSIDIARIES

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Page Number
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Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited) – Nine Months Ended September 30, 2018 and 2017	3
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SAY MEDIA, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2018	December 31, 2017
	(Unaudited)	
Assets		
Current assets:		
Cash	$ 95,296	$ 334,271
Restricted cash	120,693	120,588
Accounts receivable, net	2,830,068	2,632,999
Prepaid expenses and other current assets	376,480	517,992
Total current assets	3,422,537	3,605,850
Property and equipment, net	12,916	44,952
Internal-use software costs, net	1,623,442	1,485,909
Goodwill	14,517,219	14,517,219
Other assets	67,510	84,284
Total assets	$ 19,643,624	$ 19,738,214
Liabilities and stockholders' equity (deficit)		
Current liabilities:		
Accounts payable	$ 4,970,348	$ 3,831,000
Accrued expenses and other liabilities	1,593,581	1,694,703
Accrued compensation	763,559	1,217,234
Income tax payable	123,926	355,063
Deferred revenue	122,734	247,680
Deferred rent	29,500	-
Lease deposit from subtenant	548,434	-
Promissory notes payable	3,695,054	-
Current portion of loans payable to related parties	7,037,868	250,000
Long-term debt	1,057,840	1,700,846
Total current liabilities	19,942,844	9,296,526
Deferred rent, net of current portion	24,234	-
Deferred revenue, net of current portion	260,000	-
Lease deposit from subtenant	-	806,420
Loans payable to related party, net of current portion	-	6,210,000
Total liabilities	20,227,078	16,312,946
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Convertible Series Alpha Preferred Stock, $0.0001 par value; 70,000,000 shares authorized; 56,760,766 issued and outstanding; aggregate liquidation preference of $13,062,832	5,676	5,676
Common stock, $0.0001 par value; 160,000,000 shares authorized; 148,433,619 and 148,424,244 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	14,843	14,842
Additional paid-in capital	135,673,510	135,611,274
Accumulated other comprehensive income	61,794	75,274
Accumulated deficit	(136,339,277)	(132,281,798)
Total stockholders' equity (deficit)	(583,454)	3,425,268
Total liabilities and stockholders' equity (deficit)	$ 19,643,624	$ 19,738,214

See accompanying notes to condensed consolidated financial statements.

SAY MEDIA, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Nine Months Ended September 30,	
	2018	**2017**
Revenue	$ 9,340,245	$ 9,015,603
Cost of revenue	5,729,280	4,351,384
Gross profit	3,610,965	4,664,219
Operating expenses		
Research and development	751,219	2,067,155
Selling, general and administrative	6,753,290	6,471,534
Total operating expenses	7,504,509	8,538,689
Operating loss	(3,893,544)	(3,874,470)
Other income (expense)		
Gain on forgiveness of debt	-	26,076,301
Gain on settlements of accounts payable	76,518	494,843
Interest expense, net	(293,517)	(1,090,481)
Other income (expense), net	(6,895)	23,867
Total other (expense) income, net	(223,894)	25,504,530
Income (loss) before income taxes	(4,117,438)	21,630,060
Benefit (provision) for income taxes	59,959	(134,680)
Net income (loss)	(4,057,479)	21,495,380
Foreign currency translation adjustments	(13,480)	(856)
Comprehensive income (loss)	$ (4,070,959)	$ 21,494,524

See accompanying notes to condensed consolidated financial statements.

SAY MEDIA, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

Nine Months Ended September 30, 2018

	Series Alpha Preferred Stock		Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Income	Deficit	(Deficit)
Balance, January 1, 2018	56,760,766	$ 5,676	148,424,244	$ 14,842	$ 135,611,274	$ 75,274	$ (132,281,798)	$ 3,425,268
Exercise of stock options	-	-	9,375	1	187	-	-	188
Stock-based compensation	-	-	-	-	62,049	-	-	62,049
Foreign currency translation adjustment	-	-	-	-	-	(13,480)	-	(13,480)
Net loss	-	-	-	-	-	-	(4,057,479)	(4,057,479)
Balance, September 30, 2018	56,760,766	$ 5,676	148,433,619	$ 14,843	$ 135,673,510	$ 61,794	$ (136,339,277)	$ (583,454)

Nine Months Ended September 30, 2017

	Series Alpha Preferred Stock		Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Income	Deficit	Equity
Balance, January 1, 2017	56,760,766	$ 5,676	148,394,244	$ 14,839	$ 135,535,970	$ 121,002	$ (153,111,280)	$ (17,433,793)
Exercise of stock options	-	-	17,500	3	347	-	-	350
Stock-based compensation	-	-	-	-	57,751	-	-	57,751
Foreign currency translation adjustment	-	-	-	-	-	(856)	-	(856)
Net income	-	-	-	-	-	-	21,495,380	21,495,380
Balance, September 30, 2017	56,760,766	$ 5,676	148,411,744	$ 14,842	$ 135,594,068	$ 120,146	$ (131,615,900)	$ 4,118,832

See accompanying notes to condensed consolidated financial statements.

SAY MEDIA, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2018	**2017**
Operating activities		
Net income (loss)	$ (4,057,479)	$ 21,495,380
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	16,984	117,856
Amortization	1,063,418	810,824
Amortization of debt issue costs and debt discount	40,283	164,443
Stock-based compensation	62,049	57,751
Interest and fees accrued as debt	247,384	930,324
Gain on forgiveness of debt	-	(26,076,301)
Gain on settlement of accounts payable	(76,518)	(494,843)
Changes in operating assets and liabilities:		
Accounts receivable	(197,069)	756,280
Prepaid expenses and other assets	158,286	2,048
Accounts payable	1,215,866	(939,011)
Accrued expenses and other liabilities	(101,122)	(198,747)
Accrued compensation	(453,675)	(261,867)
Income tax payable	(231,137)	122,706
Deferred revenue	135,054	233,071
Deferred rent	53,734	(43,272)
Lease deposit from subtenant	(257,986)	-
Net cash used in operating activities	(2,381,928)	(3,323,358)
Investing activities		
Purchase of property and equipment and internal-use software	(1,208,163)	(1,346,123)
Proceeds from sales of property and equipment	22,264	(502)
Net cash used in investing activities	(1,185,899)	(1,346,625)
Financing activities		
Proceeds from lines of credit	2,061,500	1,526,000
Payments on lines of credit	(3,163,103)	(559,602)
Proceeds from long-term debt	6,651,271	-
Payments on long-term debt	(5,917,473)	(1,350,000)
Proceeds from promissory notes payable	3,695,054	-
Proceeds from related party debt	350,000	5,120,000
Payments on related party debt	-	(160,000)
Payments on note payable to vendor	(300,000)	(300,000)
Payments on note issuance costs	(35,000)	-
Proceeds from exercise of stock options	188	350
Net cash provided by financing activities	3,342,437	4,276,748
Effect of exchange rate changes on cash and restricted cash	(13,480)	(856)
Net change in cash and restricted cash	(238,870)	(394,091)
Cash and restricted cash, beginning of period	454,859	1,089,891
Cash and restricted cash, end of period	$ 215,989	$ 695,800
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 127,828	$ 40,669
Cash paid for income taxes	34,247	293

See accompanying notes to condensed consolidated financial statements.

1. Organization and Basis of Presentation

SAY Media, Inc., a Delaware corporation ("SAY" or the "Company"), including its wholly-owned foreign subsidiaries, SAY Media UK, Ltd., a United Kingdom corporation, and Say Media Canada, LLC, a wholly-owned Delaware corporation, (collectively, the "Company"), is a digital media company. The Company enables brand advertisers to engage today's social media consumer through rich advertising experiences across its network of web properties. SAY was incorporated in the state of Delaware on March 17, 2005, and its corporate headquarters is located in San Francisco, California. Inactive, wholly-owned domestic subsidiaries, Typepad, Inc. and Lark Media, Inc., were dissolved in early 2018.

The condensed consolidated financial statements of the Company at September 30, 2018, and for the nine months ended September 30, 2018 and 2017, are unaudited. In the opinion of management of the Company, all adjustments, including normal recurring accruals, have been made that are necessary to present fairly the financial position of the Company as of September 30, 2018, and the results of its operations and cash flows for the nine months ended September 30, 2018 and 2017. Operating results for the interim periods presented are not necessarily indicative of the results to be expected for a full fiscal year. The balance sheet at December 31, 2017 has been derived from the Company's audited financial statements at such date.

Going Concern

The Company's condensed consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company's activities are subject to significant risks and uncertainties, as described below.

As discussed further in Note 10, on December 12, 2018, the Company consummated a merger with SM Acquisition Co., Inc. ("SMAC"), a wholly-owned subsidiary of TheMaven, Inc. (the"Maven"), in which SMAC merged with and into the Company with the Company continuing as the surviving corporation in the merger and as a wholly-owned subsidiary of the Maven.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. On March 11, 2020 the World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern." Many national governments and sports authorities around the world have made the decision to postpone/cancel high attendance sports events in an effort to reduce the spread of the COVID-19 virus. In addition, many governments and businesses have limited non-essential work activity, furloughed and/or terminated many employees and closed some operations and/or locations, all of which has had a negative impact on the economic environment.

As a result of these factors the Maven has experienced a decline in revenues and earnings since early March 2020. While the Maven has implemented cost reduction measures in an effort to offset such volume declines, the duration of these declines remains uncertain. If the volume declines do not stabilize over the next few months, the Maven's 2020 financial results and operations may be adversely impacted. The extent of the impact on the Maven's operational and financial performance will depend on its willingness and ability to take further cost reduction measures as well as future developments, including the duration and spread of the outbreak, related group gathering and sports event advisories and restrictions, and the extent and effectiveness of containment actions taken, all of which are highly uncertain and cannot be predicted at the time of issuance of these condensed consolidated financial statements.

As a result of the above factors, in its quarterly report on Form 10-Q for the period ended September 30, 2018 filed on May 18, 2020, management of the Maven disclosed that it has concluded that there is substantial doubt about the Maven's ability to continue as a going concern within one year of the date that the accompanying condensed consolidated financial statements are being issued. In addition, the Maven's previous independent registered public accounting firm, in their report on the Maven's consolidated financial statements for the year ended December 31, 2017, had also expressed substantial doubt about the Maven's ability to continue as a going concern.

The ability of the Maven to continue as a going concern is impacted by the uncertainty surrounding COVID-19 and could therefore be dependent upon the Maven's ability to raise additional funds to ultimately achieve sustainable operating revenues and profitability. In its quarterly report on Form 10-Q for the period ended September 30, 2018 filed on May 18, 2020, the Maven disclosed that its management believes that, based on its current assessment of the impact of COVID-19, it has sufficient resources to fully fund its business operations through April 30, 2021. Due to the uncertainty regarding the duration of the impact of COVID-19 and its effect on the Maven's financial performance the Maven estimates that it may require additional capital in capital markets today, which are less liquid given the lack of clarity surrounding COVID-19.

The accompanying condensed consolidated financial statements of the Company do not include any adjustments that might result from the outcome of these uncertainties.

Certain Significant Risks and Uncertainties

The Company participates in a dynamic media and technology industry. Changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows: advances and trends in new technologies; competitive pressures; changes in the overall demand for its services, acceptance of the Company's services; litigation or claims against the Company based on intellectual property, patent, regulatory, or other factors; and the Company's ability to attract and retain employees.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The condensed consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). While these statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by GAAP for complete financial statements.

These condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, the allowance for doubtful accounts, depreciation and amortization, the valuation allowance for deferred tax assets, and stock-based compensation.

The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances at the time. Accordingly, actual results could differ from those estimates under different assumptions or conditions.

Concentrations of Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company's cash balances are with federally insured banks and periodically exceed the current insured limits. The Company has not experienced any losses on its cash and cash equivalents.

The Company provides credit, in the normal course of business, to a number of companies and performs credit evaluations of its customers. Accounts receivable from three customers comprised 40% of total accounts receivable as of September 30, 2018, and revenue from one customer represented 28% of total revenue for the nine months ended September 30, 2018. Accounts receivable from two customers comprised 38% of total accounts receivable as of December 31, 2017 and revenue from two customers represented 30% of total revenue for the nine months ended September 30, 2017.

Accounts Receivable

The Company records accounts receivable at the invoiced amount and does not charge interest. The Company maintains an allowance for doubtful accounts to reserve for potentially uncollectible receivables. The Company reviews accounts receivable for amounts that are past due, to identify specific customers with known disputes or collectability issues. In determining the amount of the allowance, the Company makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations and historical credits issued. The allowance for doubtful accounts was $57,913 and $60,000 at September 30, 2018 and December 31, 2017, respectively.

Property and Equipment

Property and equipment are stated at cost and are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer equipment and purchased software	3 years
Leasehold improvements	Lesser of useful life or lease term
Furniture and fixtures	3 years

The Company periodically evaluates the carrying value of long-lived assets to be held and used when events or circumstances warrant such a review. The carrying value of a long-lived asset to be held and used is considered impaired when the anticipated separately identifiable undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily by reference to the anticipated cash flows discounted at a rate commensurate with the risk involved. No impairment charges have been recorded in the periods presented.

Internal-Use Software

The Company capitalizes costs when there are substantial enhancements to existing products, preliminary development efforts are successfully completed, and it is probable that the project will be completed, and the software will be used as intended. The Company develops new infrastructure, applications and software products in order to host partner web properties, the Company's owned and operated web properties and support the Company's digital media publishing.

The Company capitalizes the relevant costs to develop applications, infrastructure, ad experience and site software products to support its technology, publishing and advertising platforms (collectively referred as capitalized software costs). Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed. Costs incurred for enhancements that are expected to result in additional functionality are capitalized and expensed over the estimated useful life of the upgrades.

The Company periodically evaluates the carrying value of capitalized software costs when events or circumstances warrant such a review. The carrying value of capitalized software costs is considered impaired when the anticipated separately identifiable undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the capitalized software costs. Fair value is determined primarily by the cost method. No impairment charges have been recorded in the periods presented.

Capitalized software costs are amortized on a straight-line basis over two years, which is the estimated useful life of the related asset.

Revenue Recognition

The Company generates revenue primarily from the delivery of digital advertisements for brand advertisers and agencies through its hosted sites. For all revenue transactions, the Company considers a signed agreement, a binding insertion order or other similar documentation to be persuasive evidence of an arrangement with a fixed fee. Revenue is recognized when the related services are delivered based on the specific terms of the contract, which are commonly based on the number of engagements delivered or by the actions of the viewers. The Company recognizes revenue based on delivery information from a combination of third-party reporting and the Company's proprietary campaign tracking systems. Arrangements for these services generally have a term of up to three months and in some cases the term may be up to two years. At that time, the Company's services have been provided, the fees charged are fixed or determinable, persuasive evidence of an arrangement exists, and collectability is reasonably assured. Amounts received in advance of providing services are recorded as deferred revenue in the accompanying condensed consolidated balance sheets.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Company is acting as the principal or an agent in the transaction. In determining whether the Company acts as the principal or an agent, the Company follows the accounting guidance for principal-agent considerations. While none of the factors identified in this guidance is individually considered presumptive or determinative, because the Company is the primary obligor to its customers and is responsible for (i) identifying and contracting with third-party advertisers, (ii) establishing the selling prices of the advertisements sold, (iii) performing all billing and collection activities including retaining credit risk, and (iv) bearing sole responsibility for fulfillment of the advertising, the Company acts as the principal in these arrangements and therefore reports revenue earned and costs incurred on a gross basis.

Service Costs

The Company's cost of revenue primarily consists of revenue-share payments made to digital media property owners, as well as all costs related to generating revenue, including bandwidth charges, video storage and delivery costs, co-location facility expenses, amortization of intangible assets, and allocated compensation and facility costs.

Advertising and Promotion Expense

The Company charges to operations the costs of its advertising and promotions when such costs are incurred. For the nine months ended September 30, 2018 and 2017, the Company charged to operations advertising and promotional costs of $15,879 and $16,077, respectively, which is included in selling, general, and administrative expenses in the accompanying statements of operations and comprehensive income (loss).

Fair Value of Financial Instruments

The authoritative guidance with respect to fair value established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels and requires that assets and liabilities carried at fair value be classified and disclosed in one of three categories, as presented below. Disclosure as to transfers in and out of Levels 1 and 2, and activity in Level 3 fair value measurements, is also required.

Level 1. Observable inputs such as quoted prices in active markets for an identical asset or liability that the Company has the ability to access as of the measurement date. Financial assets and liabilities utilizing Level 1 inputs include active-exchange traded securities and exchange-based derivatives.

Level 2. Inputs, other than quoted prices included within Level 1, which are directly observable for the asset or liability or indirectly observable through corroboration with observable market data. Financial assets and liabilities utilizing Level 2 inputs include fixed income securities, non-exchange-based derivatives, mutual funds, and fair-value hedges.

Level 3. Unobservable inputs in which there is little or no market data for the asset or liability which requires the reporting entity to develop its own assumptions. Financial assets and liabilities utilizing Level 3 inputs include infrequently-traded non-exchange-based derivatives and commingled investment funds and are measured using present value pricing models.

The Company determines the level in the fair value hierarchy within which each fair value measurement falls in its entirety, based on the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, the Company performs an analysis of the assets and liabilities at each reporting period end. The Company measures the fair value for all financial and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis, respectively.

The carrying amount of the Company's financial instruments comprising of cash, accounts receivable, accounts payable, and accrued expenses approximate fair value because of the short-term maturity of these instruments.

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization include the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to income tax matters in income tax expense. The Company is also required to assess at each reporting date whether it is reasonably possible that any significant increases or decreases to its unrecognized tax benefits will occur during the next 12 months.

The Company did not recognize any uncertain tax positions or any accrued interest and penalties associated with uncertain tax positions for any of the periods presented in the financial statements. The Company files tax returns in the United States federal jurisdiction and the State of California. Generally, the Company is subject to examination by income tax authorities for three years from the filing of a tax return.

Stock-Based Compensation

The Company maintains a stock-based compensation plan whereby stock options are granted for services performed by employees. The Company recognizes compensation expense related to the fair value of stock-based awards issued to its employees in its financial statements. The Company uses the Black-Scholes option-pricing model to estimate the fair value of all stock-based awards on the date of grant. The Company recognizes the compensation expense for options on a straight-line basis over the requisite service period of the award.

Goodwill

Goodwill is recorded when the consideration paid for an acquisition exceeds the fair value of net tangible and intangible assets acquired. Goodwill is allocated to reporting units and tested for impairment on an annual basis or more frequently if the Company believes indicators of impairment exist. The Company has determined that there is one reporting unit for the purpose of performing its annual goodwill impairment test.

In testing for potential impairment of goodwill, the Company first compares the carrying value of assets and liabilities to their estimated fair value. If the estimated fair value is less than the carrying value, then potential impairment exists. The amount of any impairment is then calculated by determining the implied fair value of goodwill using a hypothetical purchase price allocation. Based on this assessment, the Company concluded that no goodwill impairment was necessary at either September 30, 2018 or December 31, 2017.

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries are the local currencies in the countries in which the foreign subsidiaries operate. Accordingly, all monetary assets and liabilities of these subsidiaries are translated at the current exchange rate at the end of the period, nonmonetary assets and liabilities are translated at historical rates, and revenue and expenses are translated at average exchange rates during the nine months ended September 30, 2018 and 2017. Net foreign currency transaction gain of $13,480 and $856 is included in other income (expense), net for the nine months ended September 30, 2018 and 2017, respectively.

Defined Contribution Retirement Plan

The Company's 401(k) Plan (the "401(k) Plan") is a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating U.S. employees may defer a portion of their pre-tax earnings, up to the IRS annual contribution limit. The Company has the option to provide matching contributions but has not done so to date.

Gain on Settlement of Accounts Payable

During the nine months ended September 30, 2018 and 2017, the Company entered into various settlement agreements whereby it made partial payments to vendors (7 for 2018 and 81 for 2017) in exchange for relief from accounts payable totaling $76,518 and $494,843, respectively. These amounts have been recorded as gain on settlement of accounts payable in the accompanying statements of operations and comprehensive income (loss) in the period in which related settlement agreements were signed.

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In July 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features; (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception ("ASU 2017-11"). ASU 2017-11 allows companies to exclude a down round feature when determining whether a financial instrument (or embedded conversion feature) is considered indexed to the entity's own stock. As a result, financial instruments (or embedded conversion features) with down round features are no longer required to be accounted for as derivative liabilities. A company will recognize the value of a down round feature only when it is triggered, and the strike price has been adjusted downward. For equity-classified freestanding financial instruments, an entity will treat the value of the effect of the down round as a dividend and a reduction of income available to common shareholders in computing basic earnings per share. For convertible instruments with embedded conversion features containing down round provisions, entities will recognize the value of the down round as a beneficial conversion discount to be amortized to earnings. ASU 2017-11 is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Company early adopted the provisions of ASU 2017-11 as of January 1, 2018. The adoption of ASU 2017-11 did not have any impact on the Company's financial statement presentation or disclosures.

Recently Issued Accounting Standards

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"). ASU 2014-09 eliminates transaction- and industry-specific revenue recognition guidance under current GAAP and replaces it with a principles-based approach for determining revenue recognition. ASU 2014-09 requires that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. ASU 2014-09 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The FASB has recently issued ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, and ASU 2016-20, all of which clarify certain implementation guidance within ASU 2014-09. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2019 and interim reporting periods within annual reporting periods beginning after December 15, 2020. The Company is currently evaluating the implementation approach and the impact of adoption of this new standard, along with subsequent clarifying guidance, on the Company's financial statements and related disclosures.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842) ("ASU 2016-02"). ASU 2016-02 requires a lessee to record a right-of-use asset and a corresponding lease liability, initially measured at the present value of the lease payments, on the balance sheet for all leases with terms longer than 12 months, as well as the disclosure of key information about leasing arrangements. ASU 2016-02 requires recognition in the statement of operations of a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. ASU 2016-02 requires classification of all cash payments within operating activities in the statement of cash flows. Disclosures are required to provide the amount, timing and uncertainty of cash flows arising from leases. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. ASU 2016-02 has subsequently been amended and modified by ASU 2018-10, 2018-11 and 2018-20. ASU 2016-02 (including the subsequent amendments and modifications) is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating the implementation approach and the impact of adoption of this new standard, along with subsequent clarifying guidance, on the Company's financial statements and related disclosures.

In June 2016, the FASB issued Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The amendments broaden the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The use of forecasted information incorporates more timely information in the estimate of expected credit loss, which will be more decision useful to users of the financial statements. ASU 2016-13 is effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the implementation approach and the impact of adoption of this new standard, along with subsequent clarifying guidance, on the Company's financial statements and related disclosures.

In June 2018, the FASB issued Accounting Standards Update 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"). ASU 2018-07 expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. ASU 2018-07 also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Revenue from Contracts with Customers (Topic 606). ASU 2018-07 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the implementation approach and the impact of adoption of this new standard, along with subsequent clarifying guidance, on the Company's financial statements and related disclosures.

Management does not believe that any other recently issued, but not yet effective, authoritative guidance, if currently adopted, would have a material impact on the Company's financial statement presentation or disclosures.

3. Internal-Use Software

The balance of internal-use software consisted of the following as of September 30, 2018 and December 31, 2017:

	2018	2017
Internal-use software	$ 8,900,743	$ 7,699,792
Less accumulated amortization	(7,277,301)	(6,213,883)
Internal-use software, net	$ 1,623,442	$ 1,485,909

During the nine months ended September 30, 2018 and 2017, the Company capitalized $1,200,951 and $1,344,034, respectively, of internal-use software costs, and recorded amortization expense associated with previously capitalized internal-use software costs of $1,063,418 and $810,824, respectively, which has been recorded in cost of revenue, research and development and general and administrative costs, as appropriate, in the condensed consolidated statements of operations and comprehensive income (loss).

4. Commitments and Contingencies

Operating Leases

Rent expense for the nine months ended September 30, 2018 and 2017 was $298,685 and $354,979, respectively. The estimated future minimum rental payments required under the Company's operating leases as of September 30, 2018 are as follows for the periods ending December 31:

2018 (remainder of year)	$ 40,313
2019	163,125
2020	82,500
Total	$ 285,938

Contingencies

The Company may be subject to legal claims and actions from time to time as part of its business activities. Management is not currently aware of any matters that will have a material adverse effect on the condensed consolidated financial position, results of operations, or cash flows of the Company.

5. Stockholders' Equity and Rights and Preferences

The total number of shares that the Company has the authority to issue is 230,000,000, consisting of 160,000,000 shares of common stock, $0.0001 par value per share, and 70,000,000 shares of preferred stock, $0.0001 par value per share. All 70,000,000 authorized shares of preferred stock are designated "Series Alpha Preferred Stock."

Common Stock

Each holder of common stock is entitled to one vote per common share. At its direction, the Board of Directors may declare dividends on shares of common stock.

Series Alpha Preferred Stock

The preferred stock is classified as convertible Series Alpha preferred stock ("Series Alpha Preferred Stock").

Voting – Each holder of Series Alpha Preferred Stock is entitled to vote on all matters and is entitled to the number of votes equal to the number of votes that would be accorded to the number of shares of common stock into which such holder's preferred stock would be converted.

Dividends – Dividends are payable on the Series Alpha Preferred Stock, if and when declared by the Board of Directors consistent with common stock. In the event that the Company were to declare a dividend payable to holders of common stock, it must first declare a dividend payable to holders of Series Alpha Preferred Stock equal to an amount equal to $0.006137 per annum per share. No dividends have been declared or paid to date.

Liquidation – In the event of any liquidation, dissolution, or winding up of the Company, the holders of the Series Alpha Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of common stock, an amount per share equal to the $0.2301384 per share plus any declared but unpaid dividends on such shares of Series Alpha Preferred Stock.

Conversion **–** At the option of the holder, shares of Series Alpha Preferred Stock are convertible into common stock at a rate of 50:1.

Redemption – Shares of Series Alpha Preferred Stock are not redeemable.

6. Stock-Based Compensation

The Company's Board of Directors has approved the 2015 Stock Plan (the "2015 Plan"). Under the 2015 Plan, the Board of Directors may grant up to 62,521,252 shares of incentive stock options, nonqualified stock options, or stock awards to eligible persons, including employees, nonemployees, members of the Board of Directors, consultants, and other independent advisors who provide services to the Company. In general, options are granted with an exercise price equal to the estimated fair value of the underlying common stock on the date of the grant. Options generally have a contractual life of ten years and vest over four years. Outstanding vested stock options under the 2015 Plan were repurchased on December 12, 2018 in connection with the acquisition of the Company on such date (see Note 10).

Valuation Method

The Company estimates the fair value of stock options granted using the Black-Scholes valuation.

Expected Volatility

As the Company is privately held, there is no observable market for the Company's common stock. Accordingly, expected volatility has been estimated based on the historical volatilities of several unrelated publicly traded companies within the Company's industry that management considers to be comparable over a period equivalent to the expected term of the option grants.

Expected Dividend

The expected dividend assumption is based on the Company's current expectations about its anticipated dividend policy.

Expected Term

The Company's historical exercises are not a reasonable basis to estimate the expect term, therefore, the expected term of the Company's options represents the period that the share-based awards are expected to be outstanding. The Company has elected to use the simplified method to compute the expected term, which the Company believes is representative of future behavior.

Risk-free Interest Rate

The Company bases the risk-free interest rate on the implied yield available on U.S. Treasury zero coupon issues with an equivalent remaining term.

Forfeitures

The Company accounts for forfeitures as they occur.

For the nine months ended September 30, 2018 and 2017, the Company's total stock-based compensation expense was $62,049 and $57,751, respectively, and is recorded in selling, general and administrative costs in the accompanying condensed consolidated statements of operations and comprehensive income (loss).

During the nine months ended September 30, 2018 and 2017 the assumptions used in the Black-Scholes option-pricing model for options granted during the period were as follows:

	2018	2017
Volatility	48.75%	75.0%
Expected dividends	0.0%	0.0%
Expected terms (in years)	6.03	6.02
Risk-free interest rate	2.69%	2.12%

A summary of stock option activity during the nine months ended September 30, 2018 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)
Stock options outstanding at January 1, 2018	18,490,918	$ 0.27	
Granted	854,496	0.05	
Exercised	(9,375)	0.02	
Forfeited	(1,234,026)	0.05	
Stock options outstanding at September 30, 2018	18,102,013	0.28	7.11
Stock options exercisable at September 30, 2018	15,619,036	0.32	6.83

Outstanding stock options to acquire 2,482,977 shares of the Company's common stock had not vested at September 30, 2018.

As of September 30, 2018, there was $15,536 of total unrecognized compensation expense related to stock options granted which is expected to be recognized over a weighted-average period of approximately 2.44 years.

7. Promissory Notes Payable

On March 19, 2018, the Company entered into a non-binding letter of intent and term sheet thereunder (collectively the "Letter of Intent") to be acquired by the Maven, a media and publishing technology company. In connection with the Letter of Intent, on March 26, 2018, the Maven loaned $1,000,000 under a secured promissory note (the "Note") to the Company payable on the six-month anniversary of the earlier of (i) the termination of the Letter of Intent, or (ii) if the Maven and the Company should execute a definitive agreement (as defined in the Letter of Intent, the "Definitive Agreement"), the termination of the Definitive Agreement with respect to the proposed acquisition (such date, the "Maturity Date"). The Note bore interest at the rate of 5% per annum, with all accrued and unpaid interest payable on the Maturity Date, with prepayment permitted without premium or penalty. Additional advances under secured promissory notes were as follows: (1) $250,000 on July 23, 2018 with the same terms as the Note; (2) $322,363 on August 21, 2018 due and payable on February 21, 2019 with the same interest terms as the Note; and (3) $2,108,307 through September 30, 2018 (part of a promissory note executed on November 30, 2018 in the principal amount of $4,322,165) due and payable on or before the first business day following the earlier of (i) the consummation of the acquisition, and (ii) February 21, 2019 with the same interest terms as the Note. The promissory notes were secured against all of the assets of the Company. As of September 30, 2018, the Company was advanced a total of $3,695,054 under the promissory notes (see Note 10).

8. Long-Term Debt and Loans Payable to Related Parties

Long-term debt and loans payable to related parties consisted of the following as of September 30, 2018 and December 31, 2017:

	2018	2017
Bank note	$ -	$ 1,101,602
Vendor note	131,378	431,378
Loans payable to related parties	7,037,868	6,460,000
Factoring note	902,270	-
Interest and fees accrued as debt	35,859	184,816
Less: unamortized issuance costs and discount	(11,667)	(16,950)
Debt, total	8,095,708	8,160,846
Less: current portion	(8,095,708)	(1,950,846)
Debt, non-current portion	$ -	$ 6,210,000

As of September 30, 2018, scheduled principal payments of long-term debt, including debt with related parties, were $498,420 remaining for the year ending December 31, 2018 and $7,608,955 for the year ending December 31, 2019.

Bank Note

On September 9, 2017, the Company entered into a loan and security agreement which provided for a revolving line of credit with an interest rate equal to the prime rate plus 3.00% (or plus 5.00% in the event of default), a borrowing limit of $2,500,000, and a cash collateral account of $100,000. The note payable to bank had a maturity date of September 6, 2018 and was repaid on March 12, 2018.

The note payable to bank included various financial and nonfinancial covenants, including a liquidity ratio and a minimum quarterly adjusted EBITDA ratio, as defined in the agreement. The Company was out of compliance with these covenants at December 31, 2017; therefore, the debt was classified as a current liability.

On June 29, 2017, the Company executed a payoff letter with a bank wherein all outstanding amounts at that date were forgiven in exchange for a one-time payment of $1,350,000. The Company recognized a gain on extinguishment of debt of $26,076,301, which is included as gain on forgiveness of debt in the accompanying statements of operations and comprehensive income (loss) for the nine months ended September 30, 2017.

Vendor Note

On July 1, 2016, the Company entered into a promissory note with a vendor to settle outstanding accounts payable to that vendor. The note had a beginning principal balance of $983,063 (reduced to $851,946 pursuant to an amendment on August 10, 2016) and bore interest at 2% per annum simple interest on the principal amount only. The note was fully repaid during January 2019.

Loans Payable to Related Parties

On August 11, 2015, the Company entered into a note payable with a significant shareholder for $225,000, which bore interest at 20% per annum, and was due and payable upon demand since the scheduled maturity date of November 12, 2015. The note was repaid on October 19, 2018.

On August 28, 2015, the Company executed a note payable with a related party for $25,000, which bore interest at 20% per annum and was due on demand since the scheduled maturity date of November 12, 2015. The note was repaid on October 19, 2018.

On February 15, 2017, the Company entered into a long-term debt agreement with an entity controlled by a significant shareholder. Advances under the terms of the loan agreement bore interest at 1.0% per annum and were due on February 15, 2019. As of September 30, 2018 and December 31, 2017, the outstanding balance was $6,549,226 and $6,210,000, respectively. The loan was repaid on December 12, 2018 in connection with the acquisition (see Note 10 for further information).

Factoring Note

On March 9, 2018, the Company entered a factoring note agreement with a finance company to increase working capital through accounts receivable factoring for twelve months, with renewal options for an additional twelve months, with a $3,500,000 maximum facility limit. The facility provides for maximum borrowing up to 85% of the eligible accounts receivable (the "Advance Rate") and the Company may adjust the amount advances up or down at any time. In the event the finance company decreases the Advance Rate to less than 75% of eligible accounts received, the Company can terminate the note without any penalty fees. The note bears interest at the prime rate plus 4.00% (the Interest Rate") (7.00% as of September 30, 2018) and provides for a floor rate of 4.50% with a default rate of 3.00% plus the Interest Rate. In addition, the note provides for an initial factoring fee of 0.415% with an annual per day fee of $950.

9. Income Taxes

The provision for income taxes in interim periods is computed by applying an estimated annual effective tax rate against earnings before income tax expense for the period. In addition, non-recurring or discrete items are recorded during the period in which they occur.

During the nine months ended September 30, 2018 a tax benefit of $59,959 was recorded primarily due to a discrete adjustment for return to provision adjustments. During the nine months ended September 30, 2017 a tax expense of $134,680 was recorded based on the annual effective tax rate as adjusted for discrete adjustment for return to provision adjustments. As of December 31, 2017 income tax payable of $355,063 was recognized on the balance sheet as a result of the alternative minimum tax payable.

The Company is required to establish a valuation allowance for deferred tax assets if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Based on available evidence, realization of deferred tax assets is dependent upon the generation of future taxable income. The Company considered projected future taxable income, tax planning strategies, and reversal of taxable temporary differences in making this assessment. As such, the Company has determined that a full valuation allowance against its deferred tax assets is required as of September 30, 2018 and December 31, 2017. The gross deferred tax assets and liabilities as of December 31, 2017 were $7,879,591 and $181,233, respectively, for which a valuation allowance was recorded against its net deferred tax assets.

There were no unrecognized tax benefits as of September 30, 2018 and December 31, 2017.

10. Subsequent Events

Merger

On October 12, 2018, a Definitive Agreement was entered into (including an amendment on October 17, 2018) where the Company and the Maven executed an Agreement and Plan of Merger (the "Merger Agreement"). After the Definitive Agreement was executed, certain payments required under the Merger Agreement were considered for the benefit of the acquiree and accounted for as part of the acquisition transaction. The Company received $3,695,054 of advances as of September 30, 2018 which were considered advances under the Merger Agreement. Advances totaling $1,166,556 as of September 30, 2018 were recognized as forgiveness of promissory notes in the subsequent period upon consummation of the Merger (as described below).

On December 12, 2018, pursuant to the terms of the Merger Agreement the Company consummated the merger with SM Acquisition Co., Inc. ("SMAC"), a wholly-owned subsidiary of the Maven, in which SMAC merged with and into the Company with the Company continuing as the surviving corporation in the merger and as a wholly-owned subsidiary of the Maven (the "Merger").

In connection with the consummation of the Merger, the Maven paid (i) $6,703,653 to a creditor of the Company, (ii) $250,000 for a transaction bonus to a designated employee of the Company, (iii) $505,246 to the Company's legal counsel for legal fees and expenses ($450,000 was part of the Merger Advances), and (iv) $2,078,498 for certain payments pursuant to the Merger Advances. The Maven also issued a total of 2,000,000 shares of its restricted common stock, subject to vesting, to certain key personnel of the Company who agreed to continue their employment with the Company. Furthermore, under the terms of the Merger Agreement, the Maven issued 5,500,000 shares of its common stock to the former holders of the Company's Series Alpha Preferred Stock.

On January 6, 2020 Say Media, Inc. amended its certificate of incorporation to change its name to Maven Coalition, Inc.

The Company performed an evaluation of subsequent events through the date of filing of these financial statements, and other than the aforementioned matter(s), there were no material subsequent events which affected, or could affect, the amounts or disclosures in the financial statements.

Exhibit 9.01(b)(1)

THEMAVEN, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial information presented below is based on, and should be read in conjunction with (1) TheMaven, Inc. (the "Company") historical consolidated financial statements, and the related notes thereto, included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, (2) Say Media, Inc. ("Say Media") historical financial statements, and the related notes thereto, included in this Form 8-K/A, and (3) HubPages, Inc. ("HubPages") historical financial statements, and related notes thereto, included in Form 8-K/A report dated August 23, 2018 filed on January 27, 2020 with the SEC.

The unaudited pro forma condensed combined balance sheet of the Company assumes that the acquisition of Say Media occurred on September 30, 2018 and combines the historical balance sheets of the Company and Say Media as of September 30, 2018. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2017 and for the nine months ended September 30, 2018 assume that the acquisition of Say Media and HubPages occurred on January 1, 2017 and combines the historical results of operations of the Company, Say Media, and HubPages for the year ended December 31, 2017 and the nine months ended September 30, 2018.

The unaudited pro forma condensed combined financial information presented herein is derived from, and should be read in conjunction with: (1) the consolidated financial statements of the Company for the year ended December 31, 2017 included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on May 5, 2018 with the SEC; (2) the unaudited condensed consolidated financial statements of the Company for the nine months ended September 30, 2018 and 2017 included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 filed on May 18, 2020 with the SEC; (3) the audited financial statements of Say Media as of and for the two years ended December 31, 2017 and 2016 included herein; (4) the unaudited condensed financial statements of Say Media for the nine months ended September 30, 2018 and 2017 included herein; (5) the audited financial statements of HubPages as of and for the two years ended December 31, 2017 and 2016 included in Form 8-K/A report dated August 23, 2018 filed on January 27, 2020 with the SEC; and (6) the unaudited condensed financial statements of HubPages for the six months ended June 30, 2018 and 2017 included in Form 8-K/A report dated August 23, 2018 filed on January 27, 2020 with the SEC.

The historical consolidated financial information has been adjusted to give effect to pro forma events that are (1) directly attributable to the acquisitions, (2) factually supportable and (3) with respect to the statement of operations, expected to have a continuing impact on the combined results of operations. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only and is not necessarily indicative of what the Company's financial position or results of operations actually would have been had the acquisition been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the Company.

The unaudited pro forma condensed combined financial statements do not reflect the realization of potential cost savings, or any related restructuring or integration costs that may result from the integration of Say Media or HubPages. Although the Company believes that certain cost savings may result from the acquisitions, there can be no assurance that these cost savings will be achieved.

The unaudited pro forma condensed combined financial statements are based on estimates and assumptions, are presented for illustrative purposes only and are not necessarily indicative of the consolidated financial position or results of operations in future periods or the results that actually would have been realized if the acquisitions had been completed as of the dates indicated.

THEMAVEN, INC. AND SUBSIDIARIES
Unaudited Pro Forma Condensed Combined Balance Sheet
September 30, 2018

	TheMaven, Inc. and Subsidiaries (Historical)	Say Media, Inc. and Subsidiaries (Historical)	Pro Forma Adjustments and Eliminations		Pro Forma Combined Companies
			Debit	Credit	
Assets					
Current assets:					
Cash	$ 1,862,012	$ 95,296	$ 12,061,336(1)	$ 7,008,899(5)	$ 7,009,745
Restricted cash	-	120,693			120,693
Accounts receivable	1,577,926	2,830,068		186,248(5)	4,137,459
				84,287(6)	
Deferred contract fulfillment costs	19,338	-			19,338
Prepaid expenses and other current assets	352,572	376,480			729,052
Total current assets	3,811,848	3,422,537			12,016,287
Promissory notes receivable	2,528,498	-	41,638(2)	2,528,498(5)	41,638
Property and equipment, net	64,588	12,916			77,504
Platform development, net	4,530,996	1,623,442		1,623,442(4)	4,530,996
Intangible assets, net	6,881,058	-	8,970,000(7)		15,851,058
Goodwill	1,857,663	14,517,219		7,441,034(7)	8,933,848
Investment in subsidiary	-	-	1,623,442(4)	12,442,961(6)	-
			11,806,669(5)	1,528,966(7)	
			541,816(3)		
Other assets	-	67,510			67,510
Total assets	$ 19,674,651	$ 19,643,624			$ 41,518,841
Liabilities, mezzanine equity and stockholders' (deficiency) equity					
Current liabilities:					
Accounts payable	$ 684,158	$ 4,970,348	84,287(5)		$ 5,124,284
			186,248(6)		
			259,687(6)		
Accrued expenses	1,028,172	1,593,581	325,000(6)		2,296,753
Accrued compensation	-	763,559	475,027(6)		288,532
Income tax payable	-	123,926			123,926
Deferred rent	-	29,500			29,500
Lease deposit from subtenant	-	548,434	548,364(6)		70
Promissory notes payable	-	3,695,054	3,695,054(6)		-
Current portion of loans payable to related parties	-	7,037,868	7,037,868(6)		-
Current portion of long-term debt	-	1,057,840			1,057,840
Liquidating damages payable	2,667,798	-		785,490(8)	3,453,288
Contract liability and deferred revenue	42,974	122,734			165,708
Derivative liabilities	1,313,321	-		6,224,725(8)	7,538,046
Officer promissory notes, including accrued interest of $6,853	966,389	-			966,389
12% convertible debentures	-	-	5,842,000(8)	12,235,000(1)	6,393,000
Total current liabilities	6,702,812	19,942,844			27,437,336
Deferred rent, net of current portion	17,245	24,234			41,479
Deferred revenue, net of current portion	-	260,000			260,000
Noncompete agreement	-	-		242,310(5)	242,310
Total liabilities	6,720,057	20,227,078			27,981,125
Mezzanine equity:					
Series G redeemable and convertible preferred stock	168,496	-			168,496
Series H convertible preferred stock	18,045,496	-			18,045,496
Total mezzanine equity	18,213,992	-			18,213,992
Stockholders' (deficiency) equity:					
Convertible Series Alpha preferred stock	-	5,676	5,676(3)		-
Common stock	334,030	14,843	14,843(3)	55,000(5)	389,030
Common stock to be issued	600	-			600
Additional paid-in capital	20,296,194	135,673,510	135,715,148(3)	1,870,001(5)	22,166,195
				41,638(2)	
Accumulated other comprehensive income	-	61,794	61,794(3)		-
Accumulated deficit	(25,890,222)	(136,339,277)	173,664(1)	136,339,277(3)	(27,232,101)
			1,168,215(8)		
Total stockholders' (deficiency) equity	(5,259,398)	(583,454)			(4,676,276)
Total liabilities, mezzanine equity and stockholders' (deficiency) equity	$ 19,674,651	$ 19,643,624			$ 41,518,841

THEMAVEN, INC. AND SUBSIDIARIES
Unaudited Pro Forma Condensed Combined Statement of Operations
Nine Months Ended September 30, 2018

	TheMaven, Inc. and Subsidiaries (Historical)	HubPages, Inc. (Pro Forma Note A)	Say Media, Inc. and Subsidiaries (Historical)	Pro Forma Adjustments and Eliminations		Pro Forma Combined Companies
				Debit	Credit	
Revenue	$ 1,460,958	$ 4,540,466	$ 9,340,245	$ 270,535(22)	$	$ 15,071,134
Cost of revenue	3,922,594	2,623,785	5,729,280	1,201,500(12) 869,675(13) 24,170 (9) 67,686(10) 12,095(10)	1,288,760(11) 270,535(22)	12,891,490
Gross (loss) profit	(2,461,636)	1,916,681	3,610,965			2,179,644
Operating expenses:						
Research and development	598,645	316,607	751,219	63,159 (9) 175,096(10)		1,904,726
General and administrative	7,998,609	1,126,874	6,753,290	69,752 (9) 252,000(12) 34,583(13) 223,762(10)	401,018(14)	16,057,852
Total operating expenses	8,597,254	1,443,481	7,504,509			17,962,578
(Loss) profit from operations	(11,058,890)	473,200	(3,893,544)			(15,782,934)
Other(expense) income:						
Change in valuation of derivative liabilities	263,531	-	-	184,767(18)	570,998(15)	649,762
Interest expense	(1,552,006)	-	(293,517)	3,526,523(21)	384,002(16) 1,103,047(17) 99,754(20)	(3,785,243)
Interest income	16,583	6,996	-			23,579
True-up termination fee	(1,344,648)	-	-			(1,344,648)
Gain on forgiveness of debt	-	-	-			-
Gain on settlement of accounts payable	-	-	76,518			76,518
Settlement of promissory notes receivable	(1,166,556)	-	-		1,166,556(19)	-
Liquidated damages	(2,667,798)	-	-			(2,667,798)
Other expense, net	-	-	(6,895)			(6,895)
Total other (expense) income	(6,450,894)	6,996	(223,894)			(7,054,725)
Loss before income taxes	(17,509,784)	480,196	(4,117,438)			(22,837,659)
Benefit for income taxes	91,633	-	59,959	91,633(24)		59,959
Net (loss) income	(17,418,151)	480,196	(4,057,479)			(22,777,700)
Deemed dividend on Series H convertible preferred stock	(18,045,496)	-	-		18,045,496(23)	-
Net loss attributable to common shareholders	$ (35,463,647)	$ 480,196	$ (4,057,479)			$ (22,777,700)
Net loss per common share - basic and diluted						$ (0.69)
Weighted average number of common shares outstanding (Pro Forma Note B) - basic and diluted						32,932,056

THEMAVEN, INC. AND SUBSIDIARIES
Unaudited Pro Forma Condensed Combined Statement of Operations
Year Ended December 31, 2017

	TheMaven, Inc. and Subsidiaries (Historical)	HubPages Inc. (Historical)	Say Media, Inc. and Subsidiaries (Historical)	Pro Forma Adjustments and Eliminations Debit	Pro Forma Adjustments and Eliminations Credit	Pro Forma Combined Companies
Revenue	$ 76,995	$ 4,904,759	$ 12,608,398	$	$	$ 17,590,152
Cost of revenue	1,590,636	2,920,215	6,160,059	18,439(25) 51,631(26) 18,807(26) 1,602,000(28) 1,348,000(29)	1,543,132(27)	12,166,655
Gross (loss) profit	(1,513,641)	1,984,544	6,448,339			5,423,497
Operating expenses:						
Research and development	114,873	617,307	2,755,819	84,443(25) 269,156(26)		3,841,598
General and administrative	4,720,824	795,449	7,712,681	93,258(25) 347,934(26) 336,000(28) 53,600(29)		14,059,746
Total operating expenses	4,835,697	1,412,756	10,468,500			17,901,344
(Loss) profit from operations	(6,349,338)	571,788	(4,020,161)			(12,477,847)
Other (expense) income:						
Change in valuation of derivative liabilities	64,614	-	-			64,614
Interest expense	-	-	(1,212,331)	4,714,949(31)	93,388(30)	(5,833,892)
Interest income	411	4,175	-			4,586
Gain on forgiveness of debt	-	-	26,076,301			26,076,301
Gain on settlement of accounts payable	-	-	494,843			494,843
Other expense, net	-	-	(154,107)			(154,107)
Total other (expense) income	65,025	4,175	25,204,706			20,652,345
(Loss) income before income taxes	(6,284,313)	575,963	21,184,545			8,174,498
Benefit (provision) for income taxes	-	-	(355,063)			(355,063)
Net (loss) income	$ (6,284,313)	$ 575,963	$ (20,829,482)			7,819,435
Deemed dividend on Series H convertible preferred stock				18,045,496(32)		(18,045,496)
Net loss attributable to common shareholders						$ (10,226,061)
Net loss per common share - basic and diluted						$ (0.49)
Weighted average number of common shares outstanding (Pro Forma Note I) - basic and diluted						20,849,067

1. Description of Transactions

Merger of Say Media, Inc.

On December 12, 2018, TheMaven (the “Company”) consummated a merger with Say Media, Inc. and Subsidiaries (“Say Media”), as further described below.

On March 19, 2018, the Company entered into a non-binding letter of intent (the “Letter of Intent”) to acquire Say Media, a media and publishing technology company. Pursuant to the Letter of Intent, the Company loaned Say Media $1,000,000 under a secured promissory note dated March 26, 2018 payable on the six month anniversary of the earlier of (i) the termination of the Letter of Intent, or (ii) if Maven and Say Media should execute a definitive agreement (as defined in the Letter of Intent), the termination of the definitive agreement (such date, the “Maturity Date”). Under the secured promissory note, interest shall accrue at a rate of 5% per annum, with all accrued and unpaid interest payable on the Maturity Date, with prepayment permitted at any time without premium or penalty. In the event of default, interest would accrue at a rate of 10%.

Additional promissory notes were issued as follows: (1) on July 23, 2018, a secured promissory note in the principal amount of $250,000, with a Maturity Date and interest terms as outlined above; (2) on August 21, 2018, a senior secured promissory note in the principal amount of $322,363, due and payable on February 21, 2019, with interest terms as outlined above; (3) on November 30, 2018, a senior secured promissory note in the principal amount of $4,322,165 (as of September 30, 2018 the balance under such promissory note was $2,122,691), due and payable on or before the first business day following the earlier of (i) the consummation of the Closing, as defined under the Merger Agreements, as described below, and (ii) February 21, 2019, with interest terms as outlined above; totaling $3,695,054 in promissory notes as of September 30, 2018.

In connection with the consummation of the Closing on December 12, 2018, the Company settled the promissory notes by effectively forgiving certain advances under the promissory notes. On September 30, 2018, the Company reflected the settlement of certain advances under the promissory notes of $1,166,556 of the total balance outstanding of $3,695,054 at such date in the unaudited pro forma condensed combined statement of operations, with the remaining balance due under the promissory notes of $2,528,498 as an advance against the purchase price, as further described below.

On October 12, 2018, the Company, Say Media, a Delaware corporation, SM Acquisition Co., Inc. (“SMAC”), a Delaware corporation, which is a wholly-owned subsidiary of the Company incorporated on September 6, 2018 to facilitate a merger, and Matt Sanchez, solely in his capacity as a representative of the Say Media security holders, entered into an Agreement and Plan of Merger, which were amended October 17, 2018, (the “Merger Agreements”), pursuant to which SMAC will merge with and into Say Media, with Say Media continuing as the surviving corporation in the merger as a wholly-owned subsidiary of the Company (the “Merger”).

On December 12, 2018, the Company acquired all the outstanding shares of Say Media, for total consideration of $12,257,022, pursuant to the Merger Agreements. The results of operation of the acquired business and the estimated fair market values of the assets acquired and liabilities assumed have been included in the unaudited pro forma condensed combined financial statements as of the acquisition date (see Note 4). The Company acquired Say Media to enhance the user’s experience by increasing content. Say Media is a digital media company that enables brand advertisers to engage today’s social media consumer through rich advertising experiences across its network of web properties. Its corporate headquarters is located in San Francisco, California. Say Media operates in the United States and has subsidiaries located in the United Kingdom, Canada, and Australia.

Financing of Transactions

In contemplation of the Merger and financing of the transaction, the Company completed several financing transactions, as further described below.

On October 18, 2018, the Company entered into a securities purchase agreement with two accredited investors, B. Riley and an affiliated entity of B. Riley, pursuant to which the Company issued to the investors 10% original issue discount senior secured convertible debentures (the "10% OID Convertible Debentures" or referred to as the 10% original issue discount debentures) in the aggregate principal amount of $3,500,000, which, after taking into account the 5% original issue discount, and legal fees and expenses of the investors, resulted in the Company receiving net proceeds of $3,285,000. The Company issued warrants to the investors to purchase up to 875,000 shares of the Company's common stock in connection with this securities purchase agreement. The debentures were due and payable on October 31, 2019. Interest accrued on the debentures at the rate of 10% per annum, payable on the earlier of conversion, redemption or October 31, 2019.

The debentures were convertible into shares of the Company's common stock at the option of the investor at any time prior to October 31, 2019, at a conversion price of $1.00 per share, subject to adjustment for stock splits, stock dividends and similar transactions, and were subject to certain redemption rights by the Company. On December 12, 2018, there was a roll-over of the 10% OID Convertible Debentures into the 12% Convertible Debentures (as further described below).

On December 12, 2018, the Company entered into a securities purchase agreement with three accredited investors, pursuant to which the Company issued to the investors 12% senior secured subordinated convertible debentures (the "12% Convertible Debentures" or as referred to as the 12% convertible debentures) in the aggregate principal amount of $13,091,528, which includes (i) the roll-over of an aggregate of $3,551,528 in principal and interest of the 10% OID Convertible Debentures issued to two of the investors on October 18, 2018, and (ii) a placement fee, payable in cash, of $540,000 to the Company's placement agent, B. Riley FBR, in the offering. After taking into account legal fees and expenses of the investors, the Company received net proceeds of $8,950,000. The 12% Convertible Debentures are due and payable on December 31, 2020. Interest accrues at the rate of 12% per annum, payable on the earlier of conversion or December 31, 2020. The Company's obligations under the 12% Convertible Debentures are secured by a security agreement, dated as of October 18, 2018, by and among the Company and each investor thereto.

Subject to the Company receiving shareholder approval to increase its authorized shares of common stock, principal and interest accrued on the 12% Convertible Debentures are convertible into shares of common stock, at the option of the investor at any time prior to December 31, 2020, at a conversion price of $0.33 per share, subject to adjustment for stock splits, stock dividends and similar transactions, and beneficial ownership blocker provisions. If the Company does not perform certain of its obligations in a timely manner, it must pay liquidating damages (as further described below) to the investors.

As long as any portion of the 12% Convertible Debentures remain outstanding, unless investors holding at least 51% in principal amount of the then outstanding 12% Convertible Debentures otherwise agree, the Company shall not, among other things enter into, incur, assume or guarantee any indebtedness, except for certain permitted indebtedness.

Pursuant to the registration rights agreements entered into in connection with the securities purchase agreements, the Company agreed to register the shares issuable upon conversion of the 12% Convertible Debentures for resale by the investors. The Company committed to file the registration statement the later of (i) the 30th calendar day following the date the Company files its Annual Report on Form 10-K for the fiscal year ended December 31, 2018 with the SEC, but in no event later than May 15, 2019, and (ii) the 30th calendar day after all the Series H Preferred Stock have been registered pursuant to a registration statement under a certain registration rights agreement, dated as of August 9, 2018. The registration rights agreements provide for registration rights damages (presented as liquidating damages payable in the unaudited pro forma condensed combined balance sheet) upon the occurrence of certain events up to a maximum amount of 6% of the aggregate amount invested.

The securities purchase agreements also included a provision that requires the Company to maintain its periodic filings with the SEC in order to satisfy the public information requirements under Rule 144(c) of the Securities Act. If the Company fails for any reason to satisfy the current public information requirement, then the Company will be obligated to pay public information failure damages (presented as liquidating damages payable in the unaudited pro forma condensed combined balance sheet) to each holder, consisting of a cash payment equal to 1% of the amount invested as partial liquidated damages, up to a maximum of six months, subject to interest at the rate of 1% per month until paid in full.

Obligations with respect to registration rights damages and public information failure damages (collectively referred to as the liquidating damages) accounted for as contingent obligations when it is deemed probable the obligations would not be satisfied at the time a financing is completed, and are subsequently reviewed at each quarter-end reporting date thereafter. When such quarterly review indicates that it is probable that the liquidating damages will be incurred, the Company records an estimate of each such obligation at the balance sheet date based on the amount due of such obligation.

2. Basis of Presentation

The Company uses the acquisition method of accounting which is based on Accounting Standards Codification, Business Combinations (Topic 805), prepared in conformity with accounting principles generally accepted in the United States of America, and uses the fair value concepts which requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The Maven is the accounting acquirer and Say Media merged with the Maven. The condensed consolidated financial statements of the Maven for the period prior to the Merger are considered to be the historical financial statements of the Company.

The historical consolidated financial information has been adjusted to give effect to pro forma events that are (1) directly attributable to the acquisitions, (2) factually supportable and (3) with respect to the statement of operations, expected to have a continuing impact on the combined results of operations. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes.

3. Accounting Policies

The unaudited pro forma condensed combined financial statements do not assume any differences in accounting policies as the Company is not aware of any differences that would have a material impact on the condensed combined financial statements.

4. Purchase Price Consideration and Preliminary Purchase Price Allocation

In connection with the consummation of the Merger, total cash consideration of $9,537,397 was paid (net of cash acquired of $534,637), including the following: (1) $6,703,653 to a creditor of Say Media; (2) $250,000 transaction bonus to a designated employee of Say Media; (3) $2,078,498 advanced prior to September 30, 2018 for certain execution payments in connection with the acquisition (advance against purchase price); and (4) $505,246 for legal fees ($450,000 was advanced for acquisition related legal fees of Say Media paid on August 27, 2018 (advance against purchase price) and additional cash consideration of $55,246 was paid at the Closing for acquisition related legal fees incurred). Furthermore, under the terms of the Merger Agreements, the Company agreed to issue shares of its common stock (total common shares to be issued of 5,500,002 at the common stock trading price at the acquisition date of $0.35) to the former holders of Say Media's Preferred Stock. The Company also issued a total of 2,000,000 restricted stock awards, subsequent to the acquisition, to acquire common stock of the Company to key personnel for continuing services with Say Media, subject to vesting, and repurchase rights under certain circumstances. The shares issued are for post combination services. The composition of the preliminary purchase price is as follows:

Cash	$	9,537,397
Issued shares of common stock		1,636,251
Indemnity shares of common stock		288,750
Net settlement of preexisting relationship		552,314
Noncompete agreement		242,310
Total purchase consideration	$	12,257,022

The Company incurred $479,289 in transaction costs related to the acquisition, which primarily consisted of banking, legal, accounting and valuation-related expenses. The acquisition related expenses were recorded in general and administrative expense in the unaudited pro form condensed combined statement of operations.

The preliminary purchase price allocation resulted in the following amounts being allocated to the assets acquired and liabilities assumed at the Closing date of the acquisition based upon their respective fair values as summarized below:

Cash	$	534,637
Accounts receivable and unbilled receivables		4,754,903
Prepaid expenses		172,648
Note receivable		41,638
Fixed assets		11,392
Other assets		65,333
Developed technology		8,010,000
Tradename		480,000
Noncompete		480,000
Goodwill		5,466,624
Accounts payable		(3,618,112)
Accrued expenses		(1,601,197)
Deferred revenue		(513,336)
Other liabilities		(2,027,508)
Net assets acquired	$	12,257,022

The fair value of the intangible assets were determined as follows: developed technology was determined under the income approach; tradename was determined by employing the relief from royalty approach; and noncompete was determined under the with and without approach. The weighted-average useful life for the intangible assets is four and three quarter years (4.75 years).

The excess of purchase price over the fair value amounts assigned to the assets acquired and liabilities assumed represents goodwill from the acquisition. Goodwill is recorded as a non-current asset that is not amortized but is subject to an annual review for impairment. The Company believes the factors that contributed to goodwill include the acquisition of a talented workforce that expands the Company's expertise and synergies that are specific to the Company's consolidated business and not available to market participants. No portion of the goodwill will be deductible for tax purposes.

5. Pro Forma Adjustments and Eliminations

Adjustments and Eliminations As of September 30, 2018

(1) To record proceeds of convertible instruments for 10% original issue discount debentures on October 15, 2018 and 12% convertible debentures on December 12, 2018 used for Merger of Say Media:

Assumed sources of cash		
Proceeds from 10% original issue discount debentures	$	3,325,000
Proceeds from 12% convertible debentures		9,540,000
Total assumed sources of cash		12,865,000
Assumed uses of cash:		
Legal fees associated with 10% original issue discount debenture		(40,000)
Placement fee associated with 12% convertible debenture		(540,000)
Legal fees associated with 12% convertible debenture		(50,000)
Total assumed uses of cash		(630,000)
Net cash proceeds from issuance of 10% original issue discount debentures and 12% convertible debentures		12,235,000
Assumed uses of net cash proceeds:		
Acquisition costs (charged to accumulated deficit)		(173,664)
Net cash proceeds	$	12,061,336

(2) To reflect reclass of officer receivable for Say Media of $41,638 based on its fair value in connection with the Merger.

(3) To record the elimination of the Say Media historical equity in connection with the Merger.

(4) To record the elimination of Say Media historical platform development prior to the Merger.

(5) To record investment in Say Media on the books of TheMaven as of December 12, 2018 as follows:

Cash paid at closing:		
Payment to creditor	$	6,703,653
Transaction bonus to designated employee		250,000
Legal fees of Say Media		55,246
Total cash paid at closing		7,008,899
Advance against the purchase price:		
Execution payments		2,078,498
Legal fees of Say Media		450,000
Total advance against the purchase price		2,528,498
Total cash purchase price	$	9,537,397
Cash purchase price	$	9,537,397
Issued shares of common stock		1,636,251
Indemnity shares of common stock		288,750
Net settlement of preexisting relationship at December 12, 2018		552,314
Noncompete agreement		242,310
Total purchase price		12,257,022
Less change in settlement of preexisting relationship at September 30, 2018 to December 12, 2018		(450,353)
Total purchase price at September 30, 2018	$	11,806,669

Reconciliation of preexisting relationship of the Maven:		
Net settlement of preexisting relationship at December 12, 2018	$	552,314
Less change in settlement of preexisting relationship for September 30, 2018 to December 12, 2018		(450,353)
Net settlement of preexisting relationship at September 30, 2018	$	101,961
Reconciliation of preexisting relationship at September 30, 2018:		
Settlement of preexisting relationship of accounts payable	$	(84,287)
Settlement of preexisting relationship of accounts receivable		186,248
Net settlement of preexisting relationship at September 30, 2018	$	101,961

(6) To eliminate settlement of preexisting relationship and liabilities of Say Media as of September 30, 2018:

Settlement of preexisting relationship of accounts receivable	$	(84,287)
Settlement of preexisting relationship of accounts payable		186,248
Accounts payable		259,687
Accrued expenses		325,000
Accrued compensation		475,027
Lease deposit from subtenant		548,364
Promissory note payable		3,695,054
Current portion of loans payable to related parties		7,037,868
Total	$	12,442,961

(7) To record allocated value of assets acquired in connection with the Merger of Say Media (goodwill of $7,076,185 is estimated had the Merger occurred at September 30, 2018 after elimination of historical goodwill of $14,517,219):

Cash	$	95,296
Restricted cash		120,693
Accounts receivable		2,745,781
Prepaid expenses and other current assets		376,480
Promissory note receivable		41,638
Property and equipment, net		12,916
Developed technology		8,010,000
Tradename		480,000
Noncompete		480,000
Goodwill		7,076,185
Other long term asset		67,510
Less liabilities assumed		(7,699,830)
Total purchase price at September 30, 2018	$	11,806,669

(8) To reflect the following related to the derivative liabilities: (1) the warrant liability of $382,725, recorded as a debt discount in connection with the issuance of the 10% original issue discount debentures issued on October 18, 2018; and (2) the fair value of the embedded derivative of $5,842,000, recorded as a debt discount in connection with the 12% convertible debentures issued on December 12, 2018, totaling $6,224,725. To reflect the liquidating damages of $785,490 relating the registrations rights damages and public information failure damages in connection with the 12% convertible debentures issued on December 12, 2018.

Adjustments and Eliminations Nine Months Ended September 30, 2018

(9) To record stock-based compensation relating to the vesting of 2,000,000 restricted stock awards issued to Say Media employees in connection with the Merger of Say Media. (See Pro Forma Note E).

	Total Restricted Stock Awards	Capitalized Website Development Cost	Charged to Operations: Research and Development	Charged to Operations: General and Administrative
Allocation of shares issued	2,000,000	475,000	725,000	800,000
Vesting period, in days		1,096	1,096	1,096
Number of shares vesting per day		433	661	730
Number of vesting days in period presented		273	273	273
Vesting of assumed number of shares on a straight-line basis to calculate the stock-based compensation expense during the period presented		118,209	180,453	199,290
Number of shares assumed vested as of January 1, 2018	666,667			
Number of shares assumed vested during the period presented	500,000			
Number of shares assumed vested as of September 30, 2018	1,166,667	118,209	180,453	199,290
Fair value per share	$ 0.35	$ 0.35	$ 0.35	$ 0.35
Pro forma charges:		41,373	$ 63,159	$ 69,752
Amortization periods, in months		36		
Monthly amortization		$ 1,149		
Number of months in period		9		
Pro forma amortization for the period presented:				
For amount capitalized during the nine months ended September 30, 2018		10,341		
For amount capitalized during the year ended December 31, 2017		13,829		
Adjusted total proforma		$ 24,170		

(10) To reflect additional stock-based compensation relating to the vesting of 2,399,997 restricted stock awards issued to HubPages employees in connection with the HubPages merger on August 23, 2018. (See Pro Forma Note E).

Cost of revenues (amortization of amounts capitalized)	$	67,686
Cost of revenues (charged to operations)		12,095
Research and development (charged to operations)		175,096
General and administrative (charged to operations)		223,762
Total	$	478,639

(11) To eliminate historical amortization of website development costs charged to costs of revenue of $1,288,760; consisting of costs reflected on Say Media of $1,063,418 and costs reflected on HubPages of $225,342.

(12) To record amortization costs in connection with the Merger of Say Media related to the acquired intangible assets of $1,453,500 as reflected in the table below; reflected within cost of revenues of $1,201,500 related to the website development, and reflected within general and administrative cost of $252,000, related to the acquired tradename and noncompete agreement.

		Tradename		**Website Development Costs**		**Noncompete Agreement**
Costs to be amortized	$	480,000	$	8,010,000	$	480,000
Amortization period, in months		60		60		24
Monthly amortization	$	8,000	$	133,500	$	20,000
Number of months in period		9		9		9
Amortization costs	$	72,000	$	1,201,500	$	180,000

(13) To record amortization costs of $904,258 in connection with the HubPages merger related to the acquired intangible assets; consisting of cost of revenues of $869,675 related to website development, and general and administrative cost of $34,583, related to the acquired tradename.

(14) To eliminate acquisition cost of $401,018; consisting of costs for Say Media of $305,625 and costs for HubPages of $95,393.

(15) To eliminate change in valuation of derivative liabilities of $570,998 relating to the 10% convertible debentures embedded derivatives.

(16) To eliminate interest expense of $384,002 related to the 10% convertible debentures; consisting of accrued interest of $69,920, amortization of debt discounts of $64,452, and extinguishment of debt of $249,630 relating to conversion of the debentures into Series H preferred stock.

(17) To eliminate interest expense of $1,103,047 related to the 8% promissory notes; consisting of original issue discount of $44,133, accrued interest of $20,986, amortization of debt discounts of $315,309, and extinguishment of debt of $722,619 relating to the mandatory payoff of the notes.

(18) To eliminate the change in valuation of derivative liabilities of $184,767; consisting of 8% promissory note embedded derivative of $129,741 and L2 warrants of $55,026.

(19) To eliminate the loss on settlement of promissory notes receivable of $1,166,556 that were settled by the Maven in connection with the Merger of Say Media.

(20) To eliminate interest expense of $99,754 related to certain liabilities that were paid in connection with Merger of Say Media.

(21) To record interest expense of $3,526,523 related to the 12% convertible debentures issued on December 12, 2018; consisting of $1,170,715 for accrued interest and $2,355,808 for amortization of the debt discount.

(22) To eliminate intercompany revenue and cost of revenue transactions of $270,535 between Say Media and the Maven and its subsidiaries.

(23) To eliminate the deemed dividend on Series H convertible preferred stock that was recorded as a beneficial conversion feature of $18,045,496 related to the HubPages merger for the underlying common shares since the nondetachable conversion feature was in-the-money (the conversion price of $0.33 was lower than the Company's common stock trading price of $0.86) at the issuance date.

(24) To eliminate the deferred tax benefit of $91,633 related to recognition of a discrete tax benefit from a partial release of the valuation allowance in connection with the HubPages merger.

Pro Forma Notes Nine Months Ended September 30, 2018

A HubPages pro forma financial statements (unaudited) for the period ended August 23, 2018:

	Historical Financial Statements for the Six Months Ended June 30, 2018	**Pro Forma Adjustments from July 1, 2018 to August 23, 2018**	**Pro Forma Financial Statements for the Period Ended August 23, 2018**
Revenue	$ 3,448,229	$ 1,092,237	$ 4,540,466
Operating expenses:			
Cost of revenue	2,026,440	597,345	2,623,785
Research and development	172,885	143,722	316,607
General and administrative	755,697	371,177	1,126,874
Total operating expenses	2,955,022	1,112,244	4,067,266
Operating income (loss)	493,207	(20,007)	473,200
Interest income	4,649	2,347	6,996
Net income (loss)	$ 497,856	$ (17,660)	$ 480,196

B The calculation of weighted average shares outstanding for basic and diluted earnings per share assumes that the shares issued in conjunction with the mergers have been outstanding for the entire period. Basic and diluted weighted average number of common shares outstanding is calculated as follows:

		Number of Shares
Actual weighted number of common shares outstanding		25,382,551
Pro forma shares to be issued:		
Weighted average of common shares issued in connection with the Merger of Say Media:		
Common shares issued pursuant to the Merger agreement with Say Media		4,675,002
Common shares issued pursuant to the Merger agreement with Say Media subject to indemnification		825,000
Weighted average vested shares issued to Say Media employees:		
Shares vesting during the year ended December 31, 2017 (statement of operations pro forma entry (1) for the year ended December 31, 2017)		666,667
Shares vesting during the nine months ended September 30, 2018 (statement of operations pro forma entry (1) for the nine months ended September 30, 2018)	500,000	
Weighted average shares vesting during the nine months ended September 30, 2018		375,000
Weighted average vested shares issued to HubPages employees:		
Additional shares vesting during the year ended December 31, 2017 (statement of operations pro forma entry (2) for the year ended December 31, 2017)		525,599
Shares vesting during the nine months ended September 30, 2018 (statement of operations pro forma entry (2) for the nine months ended September 30, 2018)	642,983	
Weighted average shares vesting during the nine months ended September 30, 2018		482,237
Pro forma weighted average number of common shares outstanding - basic and diluted		32,932,056

C The 10% original issue discount debentures net proceeds of $3,325,000 was received on October 18, 2018 for the primary purpose of funding the Merger with Say Media. The 10% original issue discount debentures were subsequently converted into the 12% convertible debentures. The 12% convertible debentures net proceeds of $9,540,000 was received on December 12, 2018 for the primary purpose of funding the cash balance due at closing of the Merger with Say Media. Since the full amount of the 12% convertible debentures is reflected in the above pro forma statement of operations, the 10% original issue discount debentures were not included in the above pro forma statement of operations.

D The fair value of the warrant liability of $382,725 recorded in connection with the 10% original issue discount debentures, as determined by using the Black-Scholes pricing model as of October 18, 2018, is deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating charge to operations for the change in fair value. The fair value of the embedded derivative liability of $5,842,000 on the 12% convertible debentures, as determined by an independent appraisal as of December 12, 2018, is deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating charge to operations for the change in fair value.

E The fair value of the Say Media restricted stock awards was determined based on the fair value of the Company's common stock based on its trading value at the grant date, are deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating the stock-based compensation expense. The shares vest one-third on the first anniversary date of issuance (January 1, 2017 was used for purpose of determining the issuance date) and then over twenty-four 924) equal monthly installments after the first anniversary date.

F The fair value of the HubPages restricted stock awards, as determined by an independent appraisal of August 23, 2018, are deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating the stock-based compensation expense.

Adjustments and Eliminations Year Ended December 31, 2018

(25) To record stock-based compensation relating to the vesting of 2,000,000 restricted stock awards issued to Say Media employees in connection with the Merger of Say Media. See Pro Forma Note F.

		Capitalized	Charged to Operations	
	Total Restricted Stock Awards	Website Development Cost	Research and Development	General and Administrative
Allocation of shares issued	2,000,000	475,000	725,000	800,000
Vesting period, in days		1,096	1,096	1,096
Number of shares vesting per day		433	661	730
Number of vesting days in period presented		365	365	365
Vesting of assumed number of shares on a straight-line basis to calculate the stock-based compensation expense during the period presented		158,045	241,265	266,450
Number of shares assumed vesting during the period presented	-			
Fair value per share	$ 0.35	$ 0.35	$ 0.35	$ 0.35
Pro forma charges:		$ 55,316	$ 84,443	$ 93,258
Amortization periods, in months		36		
Monthly amortization		$ 1,537		
Number of months in period		12		
Pro forma amortization for the period presented:				
For amount capitalized during the year ended December 31, 2017		$ 18,439		

(26) To reflect additional stock-based compensation relating to the vesting of 2,399,997 restricted stock awards issued to HubPages employees in connection with the HubPages merger on August 23, 2018. See Pro Forma Note G.

Cost of revenues (amortization of amounts capitalized)	$	51,631
Cost of revenues (charged to operations)		18,807
Research and development (charged to operations)		269,156
General and administrative (charged to operations)		347,934
Total	$	687,528

(27) To eliminate historical amortization of website development costs charged to costs of revenue of $1,543,132; consisting of costs reflected on Say Media of $1,139,796 and costs reflected on HubPages of $403,336.

(28) To record amortization costs of $1,938,000 in connection with the Merger of Say Media related to the acquired intangible assets as reflected in the table below; reflected within cost of revenues of $1,602,000 related to the website development, and reflected within general and administrative cost of $336,000, related to the acquired tradename and noncompete agreement.

	Tradename		Website Development Costs		Noncompete Agreement	
Costs to be amortized	$	480,000	$	8,010,000	$	480,000
Amortization period, in months		60		60		24
Monthly amortization	$	8,000	$	133,500	$	20,000
Number of months in period		12		12		12
Amortization costs	$	96,000	$	1,602,000	$	240,000

(29) To record amortization costs of $1,401,600 in connection with the HubPages merger related to the acquired intangible assets; consisting of cost of revenues of $1,348,000 related to website development, and general and administrative cost of $53,600, related to the acquired tradename.

(30) To eliminate interest expense of $93,388 related to certain liabilities that were paid in connection with Merger of Say Media.

(31) To record interest expense of $4,714,949 related to the 12% convertible debentures issued on December 12, 2018; consisting of $1,565,242 for accrued interest and $3,149,707 for amortization of the debt discount.

(32) To record the deemed dividend on Series H convertible preferred stock that was recorded as a beneficial conversion feature of $18,045,496 related to the HubPages merger for the underlying common shares since the nondetachable conversion feature was in-the-money (the conversion price of $0.33 was lower than the Company's common stock trading price of $0.86) at the issuance date. See Pro Form Note B.

Pro Forma Notes for the Year ended December 31, 2017

G The closing of the transaction for the Merger with Say Media and the related closing of the 12% convertible debentures, resulted in (1) an aggregate charge to operations of $546,083 based on the extinguishment of the 10% original issue discount debentures that were converted into the 12% convertible debentures, and (2) recognition of liquidating damages $78,546 for the registration rights damages and public information failure. In addition, the closing of the transaction for the Merger with Say Media and related promissory note payable of $3,695,054 resulted in a gain on forgiveness of debt upon consummation of the Merger. These one-time charges have not been reflected in the accompanying pro forma statement of operations as it was determined to be a material nonrecurring charge that is not expected to have a continuing impact.

H The closing of the transaction for the HubPages merger and the related closing of the Series H convertible preferred stock financing, resulted in (1) an aggregate charge to operations of $955,000 related to the repayment of the 10% senior convertible debenture, (2) a deemed dividend of $18,045,496 upon issuance of the Series H convertible preferred stock allocated to net loss attributable to common shareholders, (3) an aggregate charge to operations of $1,103,047 related to the mandatory repayment of the 8% promissory notes from the Series H convertible preferred stock financing, and (4) a deferred tax benefit of $91,633 related to the acquisition of HubPages. These one-time charges have been eliminated in the accompanying pro forma statements of operations as they were determined to be material nonrecurring charges that are not expected to have a continuing impact.

I The calculation of weighted average shares outstanding for basic and diluted earnings per share assumes that the shares issued in conjunction with the mergers have been outstanding for the entire period. Basic and diluted weighted average number of common shares outstanding is calculated as follows:

		Number of Shares
Actual weighted number of common shares outstanding		14,919,232
Pro forma shares to be issued:		
Weighted average of common shares issued in connection with the Merger of Say Media:		
Common shares issued pursuant to the Merger agreement with Say Media		4,675,002
Common shares issued pursuant to the Merger agreement with Say Media subject to indemnification		825,000
Weighted average vested shares issued to Say Media employees:		
Shares vesting during the year ended December 31, 2017 (statement of operations pro forma entry (1) for the year ended December 31, 2017)	-	
Weighted average vested shares issued to HubPages employees:		-
Shares vesting during the year ended December 31, 2017 (statement of operations pro forma entry (2) for the year ended December 31, 2017)	859,666	
Weighted average shares vesting during the year ended December 31, 2017		429,833
Pro forma weighted average number of common shares outstanding - basic and diluted		20,849,067

J The 10% original issue discount debentures net proceeds of $3,325,000 was received on October 18, 2018 for the primary purpose of funding the Merger with Say Media. The 10% original issue discount debentures were subsequently converted into the 12% convertible debentures. The 12% convertible debentures net proceeds of $9,540,000 was received on December 12, 2018 for the primary purpose of funding the cash balance due at closing of the Merger with Say Media. Since the full amount of the 12% convertible debentures is reflected in the above pro forma statement of operations, the 10% original issue discount debentures were not included in the above pro forma statement of operations.

K The fair value of the warrant liability of $382,725 recorded in connection with the 10% original issue discount debentures, as determined by using the Black-Scholes pricing model as of October 18, 2018, is deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating charge to operations for the change in fair value. The fair value of the embedded derivative liability of $5,842,000 on the 12% convertible debentures, as determined by an independent appraisal as of December 12, 2018, is deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating charge to operations for the change in fair value.

L The fair value of the Say Media restricted stock awards was determined based on the fair value of the Company’s common stock based on its trading value at the grant date, are deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating the stock-based compensation expense. The shares vest one-third on the first anniversary date of issuance (January 1, 2017 was used for purpose of determining the issuance date) and then over twenty-four (24) equal monthly installments after the first anniversary date.

M The fair value of the HubPages restricted stock awards, as determined by an independent appraisal of August 23, 2018, are deemed to be the same as of January 1, 2017, December 31, 2017 and September 30, 2018 for purposes of calculating the stock-based compensation expense.