
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2017

or

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

For the transition period from _____ to _____

Commission File Number: 001-37899

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

Delaware
(State or other jurisdiction of
incorporation or organization)

47-5412331
(I.R.S. Employer
Identification No.)

590 Madison Avenue, 21st Floor
New York, New York 10022
(Address of principal executive offices)

(212) 739-7825
(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
(Do not check if a smaller reporting company)
Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of the registrant's common stock outstanding at November 9, 2017 was 12,662,974.

Alliance MMA, Inc.
Form 10-Q - Quarterly Report

For the Quarter Ended September 30, 2017

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Alliance MMA, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
ASSETS		
Current assets:		
Cash	\$ 1,035,697	\$ 4,678,473
Accounts receivable, net of allowance for doubtful accounts of \$0 as of September 30, 2017 and December 31, 2016	421,095	8,450
Prepaid expenses	57,201	134,852
Total current assets	<u>1,513,993</u>	<u>4,821,775</u>
Property and equipment, net	249,052	122,312
Intangible assets, net	5,449,091	5,780,213
Goodwill	6,470,225	3,271,815
Total assets	<u>\$ 13,682,361</u>	<u>\$ 13,996,115</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 856,163	\$ 284,361
Earn out liability	310,000	—
Customer deposits	117,761	—
Total current liabilities	<u>1,283,924</u>	<u>284,361</u>
Long-term deferred tax liabilities	64,867	—
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$.001 par value; 5,000,000 shares authorized and no shares issued and outstanding	—	—
Common stock, \$.001 par value; 45,000,000 shares authorized at September 30, 2017 and December 31, 2016; 12,272,974 and 9,022,308 shares issued and outstanding, respectively	12,273	9,022
Additional paid-in capital	24,003,109	18,248,582
Accumulated deficit	(11,681,812)	(4,545,850)
Total stockholders' equity	<u>12,333,570</u>	<u>13,711,754</u>
Total liabilities and stockholders' equity	<u>\$ 13,682,361</u>	<u>\$ 13,996,115</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Alliance MMA, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenue, net	\$ 1,050,450	\$ —	\$ 2,919,660	\$ —
Cost of revenue	774,671	—	1,881,153	—
Gross profit	275,779	—	1,038,507	—
Operating expenses				
General and administrative	1,752,560	357,826	6,494,294	2,994,356
Professional and consulting fees	218,320	237,585	912,767	419,996
Total operating expenses	1,970,880	595,411	7,407,061	3,414,352
Loss from operations	(1,695,101)	(595,411)	(6,368,554)	(3,414,352)
Other income	672	—	217	—
Loss before provision for income taxes	(1,694,429)	(595,411)	(6,368,337)	(3,414,352)
Provision for income taxes	767,625	—	767,625	—
Net loss	\$ (2,462,054)	\$ (595,411)	\$ (7,135,962)	\$ (3,414,352)
Net loss per share, basic and diluted	\$ (0.23)	\$ (0.11)	\$ (0.74)	\$ (0.65)
Weighted average shares used to compute net loss per share, basic and diluted	\$ 10,714,200	\$ 5,289,882	\$ 9,608,042	\$ 5,289,221

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Alliance MMA, Inc.
Condensed Consolidated Statement of Changes In Stockholders' Equity
(Unaudited)

	<u>Preferred Stock</u>		<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>Stockholders'</u>
					<u>Capital</u>		<u>Equity</u>
Balance—December 31, 2015	—	\$ —	5,289,136	\$ 5,289	\$ —	\$ (386,456)	\$ (381,167)
Issuance of common stock related to IPO, net	—	—	2,222,308	2,222	8,898,966	—	8,901,188
Issuance of common stock related to acquisition of Initial Business Units and Acquired Assets	—	—	1,377,531	1,378	6,197,511	—	6,198,889
Issuance of common stock related to acquisition of Iron Tiger Fight Series	—	—	133,333	133	506,532	—	506,665
Stock based compensation related to employee stock option grant	—	—	—	—	50,573	—	50,573
Stock based compensation related to common stock issued to non-employees by an affiliate	—	—	—	—	2,595,000	—	2,595,000
Net loss	—	—	—	—	—	(4,159,394)	(4,159,394)
Balance—December 31, 2016	—	\$ —	9,022,308	\$ 9,022	\$18,248,582	\$ (4,545,850)	\$ 13,711,754
Stock based compensation related to employee stock option grants	—	—	—	—	470,087	—	470,087
Issuance of common stock and warrant related to acquisition of SuckerPunch	—	—	307,487	307	1,328,540	—	1,328,847
Issuance of common stock related to acquisition of Fight Time Promotions	—	—	74,667	75	287,393	—	287,468
Stock based compensation related to warrant issued for consulting services	—	—	—	—	169,401	—	169,401
Issuance of common stock related to acquisition of National Fighting Championships	—	—	273,304	273	365,954	—	366,227
Issuance of common stock related to acquisition of Fight Club OC	—	—	693,000	693	810,117	—	810,810
Issuance of common stock related to acquisition of Sheffield video library	—	—	5,556	6	8,494	—	8,500
Stock based compensation related to common stock issued for consulting services	—	—	150,000	150	148,350	—	148,500
Issuance of common stock units related to private placement	—	—	1,478,761	1,479	1,523,521	—	1,525,000
Issuance of common stock related to acquisition of Victory Fighting Championship	—	—	267,891	268	642,670	—	642,938
Net loss	—	—	—	—	—	(7,135,962)	(7,135,962)
Balance—September 30, 2017	—	\$ —	12,272,974	\$ 12,273	\$24,003,109	\$ (11,681,812)	\$ 12,333,570

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Alliance MMA, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended	
	September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (7,135,962)	\$ (3,414,352)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	787,988	2,615,240
Amortization of acquired intangibles	894,373	—
Depreciation of fixed assets	96,810	—
Deferred income tax and other, net	767,625	—
Changes in operating assets and liabilities:		
Accounts receivable	(380,465)	—
Prepaid expenses	77,651	—
Deferred offering costs	—	25,000
Accounts payable and accrued liabilities	733,154	(90,106)
Net cash used in operating activities	<u>(4,158,826)</u>	<u>(864,218)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Victory Fighting Championship	(180,000)	—
Purchase of Fight Club OC, net	(48,900)	—
Purchase of National Fighting Championships	(140,000)	—
Purchase of Fight Time Promotions	(84,000)	—
Purchase of SuckerPunch	(357,500)	—
Purchase of Sheffield video library	(25,000)	—
Purchase of fixed assets	(173,550)	—
Purchase of Initial Business Units and Initial Acquired Assets	—	(1,391,736)
Net cash used in investing activities	<u>(1,008,950)</u>	<u>(1,391,736)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	1,525,000	—
Proceeds from note payable – related party	—	523,550
Repayment of note payable – related party	—	(877,000)
Net proceeds from IPO	—	7,732,280
Net cash provided by financing activities	<u>1,525,000</u>	<u>7,378,830</u>
NET (DECREASE) INCREASE IN CASH	(3,642,776)	5,122,876
CASH — BEGINNING OF PERIOD	4,678,473	—
CASH — END OF PERIOD	<u>\$ 1,035,697</u>	<u>\$ 5,122,876</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ —	\$ 34,015
Cash paid for taxes	\$ —	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Stock issued in conjunction with acquisition of Victory Fighting Championship	\$ 642,938	\$ —
Stock issued in conjunction with acquisition of Fight Club OC	\$ 810,810	\$ —
Stock issued in conjunction with acquisition of National Fighting Championships	\$ 366,227	\$ —
Stock issued in conjunction with acquisition of Fight Time Promotions	\$ 287,468	\$ —
Stock issued in conjunction with acquisition of SuckerPunch	\$ 1,328,847	\$ —
Stock issued in conjunction with acquisition of Sheffield Video Library	\$ 8,500	\$ —
Stock issued in conjunction with acquisition of Target Companies and target assets	\$ —	\$ 6,198,889

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Note 1. The Company and Basis of Presentation

Nature of Business

Alliance MMA, Inc. (“Alliance” or the “Company”) was formed in Delaware on February 12, 2015 to acquire companies in the mixed martial arts (“MMA”) industry. On September 30, 2016, Alliance completed the first tranche of its initial public offering and acquired the assets and assumed certain liabilities of six companies, consisting of five MMA promoters and a ticketing platform focused on MMA events. In October 2016, GFL Acquisition, Co., Inc., a wholly-owned subsidiary of Alliance, merged with a seventh company, Go Fight Net, Inc., which produces and distributes MMA video entertainment. GFL was subsequently rebranded as Alliance Sports Media. The respective acquired businesses of the seven companies are referred to in these Notes as the “Initial Business Units”. At the completion of the offering in October 2016, the Company acquired certain MMA and kickboxing video libraries (the “Initial Acquired Assets”). Subsequent to the acquisition of the Initial Business Units and the Initial Acquired Assets, the Company acquired the assets of five additional promotion companies, Iron Tiger Fight Series, Fight Time, National Fighting Championships, Fight Club OC, and Victory Fighting Championship and a fighter management and marketing company, SuckerPunch, along with the intellectual property rights to the Sheffield video fight library of Shogun Fights (the “Subsequent Acquisitions”).

Initial Business Units

Promotions

- CFFC Promotions, LLC
- Hoosier Fight Club Promotions, LLC
- Punch Drunk Inc., also known as Combat Games MMA
- Bang Time Entertainment, LLC DBA Shogun Fights
- V3, LLC

Ticketing Platform

- CageTix LLC

Video Production and Distribution

- Go Fight Net, Inc. - Currently Alliance Sports Media

Initial Acquired Assets

Following the completion of its initial public offering, Alliance also acquired the following assets:

Louis Neglia’s Ring of Combat

All rights in the existing MMA and kickboxing video libraries of Louis Neglia’s Martial Arts Karate, Inc. related to the Louis Neglia’s Ring of Combat and Louis Neglia’s Kickboxing events and shows, a right of first refusal to acquire the rights to all future Louis Neglia MMA and kickboxing events.

Hoss Promotions, LLC

The MMA and video library of Hoss Promotions, LLC related to certain CFFC events.

Subsequent Acquisitions

Following the acquisition of the Initial Business Units and Initial Acquired Assets, the Company acquired:

Iron Tiger Fight Series

The Ohio-based MMA promotion business of Ohio Fitness and Martial Arts, LLC doing business as Iron Tiger Fight Series (“ITFS”) on December 9, 2016.

In June 2017, ITFS hired the former owner of Explosive Fight Promotions, an Ohio based MMA promotion business, as General Manager, along with certain staff members.

Sucker Punch

Roundtable Creative Inc., a Virginia corporation d/b/a SuckerPunch Entertainment (“SuckerPunch”), a leading fighter management and marketing company on January 4, 2017.

Fight Time

The MMA Promotion business of Ft. Lauderdale, Florida based Fight Time Promotions, LLC (“Fight Time”) on January 18, 2017.

National Fighting Championships

The Atlanta, Georgia based mixed martial arts promotion business of Undisputed Productions, LLC, doing business as National Fighting Championships or NFC (“NFC”) on May 12, 2017.

Fight Club OC

The Orange County, California based mixed martial arts business of The Englebrecht Company, Inc., doing business as Roy Englebrecht Promotions or Fight Club OC (“Fight Club OC”) on June 14, 2017.

Victory Fighting Championship

The Omaha, Nebraska based mixed martial arts promotion business of Victory Fighting Championship, LLC, doing business as Victory Fighting Championship (“Victory”) on September 28, 2017.

Sheffield Recordings Limited, Inc. - Media Library Rights

The intellectual property rights to the Sheffield video fight library of the Shogun promotions.

Basis of Presentation and Principles of Consolidation

The accompanying interim unaudited condensed consolidated financial statements as of September 30, 2017 and December 31, 2016, and for the three and nine months ended September 30, 2017 and 2016, have been prepared by the Company in accordance with generally accepted accounting principles (“GAAP”) in the United States (“U.S.”) for interim financial information. The amounts as of December 31, 2016 have been derived from the Company’s annual audited consolidated financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary (consisting of normal recurring adjustments) to state fairly the financial position of the Company and its results of operations, changes in stockholders’ equity and cash flows as of and for the periods presented. These financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2016, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, filed on April 17, 2017 (the “Form 10-K”). The results of operations for the three and nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2017 or any future period and the Company makes no representations related thereto.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Such estimates include, but are not limited to, fair value of acquired intangible assets and goodwill, useful lives of intangible assets and property and equipment, the assessment of the recoverability of goodwill, likelihood and range of possible losses on contingencies, valuation and recognition of stock-based compensation expense, recognition and measurement of current and deferred income tax assets and liabilities, assessment of unrecognized tax benefits, among others. Actual results could differ from those estimates.

Liquidity and Going Concern

Our primary need for liquidity is to fund the working capital needs of our business, our planned capital expenditures, the continued acquisition of regional promotions and related companies, and general corporate purposes. We have incurred losses and experienced negative operating cash flows since the inception of our operations in October 2016. We believe, however, that the successful implementation of our business plan, along with other actions we have taken and will continue to take, will improve our operating margins and address corporate overhead expenditures.

Since completing our IPO in October 2016, we have focused primarily on building out a domestic MMA platform, which is expected eventually to include a presence in the top 20 media markets. To date, we have created a persistent brand presence in twelve markets through the acquisition of ten promotional businesses along with the promotion of regional Alliance MMA events in two additional markets. We have also continued to develop our existing media library of live MMA events, and have built a professional corporate infrastructure that will support our long-term goals. These activities and investments in our business directly support our stated goal of promoting at least 125 regional MMA events annually.

To ensure the Company’s capital needs are met over the next twelve months, in August 2017, the Company completed a capital raise of approximately \$1.5 million through the placement of approximately 1.5 million units at \$1.00 per unit, which consist of one share of common stock and a warrant to purchase one share of common stock at \$1.50.

In November 2017, the Company raised approximately \$500,000 through the placement of 390,000 units at \$1.25 per unit, which consist of one common share and a warrant to purchase one-half share of common stock at an exercise price equal to \$1.75 per whole share.

Additionally in November, the Company filed a “shelf” registration statement on Form S-3 which, when declared effective by the SEC, will allow the Company to issue various types of securities up to an aggregate of \$20 million.

Management is in negotiations with multiple national sponsors and, on the basis of those negotiations, expects to receive at least \$500,000 in national sponsorship revenue during the next twelve months.

Additionally, management is in discussions with national casinos to promote our MMA events at venues that would produce better margins through entertainment fees paid to the Company and, in certain cases, a reduction in event overhead through complimentary food and lodging for fighters and staff.

While many challenges associated with successfully executing our aggressive expansion plan exist, and while our historical operating results raise doubts with respect to our ability to continue as a going concern, we expect that our recent and anticipated financings, the continued implementation of our business plan and the expected increase in sponsorship revenue will provide sufficient liquidity and financial flexibility over the next twelve months. We cannot, however, predict with certainty the outcome of our actions to generate liquidity, including our success in raising additional capital or the anticipated results of our operations.

Note 2. Summary of Significant Accounting Policies

There have been no significant changes in the Company’s significant accounting policies during the nine months ended September 30, 2017, as compared to the significant accounting policies described in the Form 10-K, with the exception of the fighter commission revenue recognition policy disclosed below.

Revenue Recognition

Promotion Revenue

The Company records revenue from ticket sales and sponsorship income upon the successful completion of the related event, at which time services have been deemed rendered, the sales price is fixed and determinable and collectability is reasonably assured. Customer deposits consist of amounts received from the customer for fight promotion and entertainment services to be provided in the next fiscal year. The Company receives these funds and recognizes them as a liability until the services are provided and revenue can be recognized.

Ticket Service Revenue

The Company acts as an agent for ticket sales for promoters and records revenue upon receipt of cash from the credit card companies. The Company charges a fee per transaction for collecting the cash on ticket sales and remits the remaining amount to the promoter upon completion of the event or request for advance from the promoter. The Company's fee is non-refundable and is recognized immediately as it is not tied to the completion of the event. The Company recognizes revenue upon receipt from the credit card companies due to the following: the fee is fixed and determined and the service of collecting the cash for the promoter has been rendered and collection has occurred.

Fighter Commission Revenue

The Company records fighter commission revenue upon the completion of the contracted athlete's related event, at which time the fighter's services have been deemed rendered, the contractual amount due to the fighter is known and the commission due to the Company related to these activities is fixed and determinable and collectability is reasonably assured.

Distribution Revenue

The Company acts as a producer, distributor and licensor of video content. The Company's online video content is offered on a pay per view ("PPV") basis. The Company records revenue on PPV transactions upon receipt of payment to credit processing partners. The Company charges viewers a fee per PPV purchase transaction for entitling a viewer to watch the desired video. The Company records revenue net of a fee for the credit card processing cost per transaction. The Company maintains all revenues from videos the Company films and distribute a profit share, typically 50% to promoters who use our streaming services. The Company generates revenues from video production services, and books this revenue upon completion of the video production project. The Company generates revenues from licensing the rights to videos to networks overseas and domestically, and books revenue upon delivery of content. To the extent there are issues (i) watching a video (ii) with our production services or (iii) with the quality of a video we send out for distribution to a network we would issue a partial or full refund based on the circumstances. Given the nature of our business, these refund requests come within days of delivery, thus we would not anticipate any refund request in excess of 30 days from a PPV purchase, a license delivery or video production performance.

Business Combinations

The Company allocates the fair value of the purchase consideration of its acquisitions to the tangible assets, liabilities, and intangible assets acquired, based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses and related restructuring costs are recognized separately from the business combination and are expensed as incurred.

Goodwill and Purchased Intangible Assets

Goodwill is tested for impairment on an annual basis in the fourth fiscal quarter and, when specific circumstances dictate, between annual tests. When impaired, the carrying value of goodwill is written down to fair value. The goodwill impairment test involves a two-step process. The first step, identifying a potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of the reporting unit exceeds its fair value, the second step would need to be conducted; otherwise, no further steps are necessary as no potential impairment exists. If necessary, the second step to measure the impairment loss would be to compare the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. Any excess of the reporting unit goodwill carrying value over the respective implied fair value is recognized as an impairment loss. Purchased intangible assets with finite lives are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets. See "Long-Lived Assets" for the Company's policy regarding impairment testing of purchased intangible assets with finite lives. Purchased intangible assets with indefinite lives are assessed for potential impairment annually or when events or circumstances indicate that their carrying amounts might be impaired.

Long-Lived Assets

Long-lived assets that are held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability of long-lived assets is based on an estimate of the undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets that management expects to hold and use is based on the difference between the fair value of the asset and its carrying value. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers” (“ASU 2014-09”), and since May 2014 the FASB has issued amendments to this new guidance, which collectively provides guidance for revenue recognition. ASU 2014-09 is effective for the Company beginning January 1, 2018 and, at that time, the Company may adopt the new standard under the full retrospective approach or the modified retrospective approach. Under the new standard, the current practice of many licensing companies of reporting revenues from per-unit royalty based agreements one quarter in arrears would no longer be accepted and instead companies will be expected to estimate royalty-based revenues. The Company is currently evaluating the method of adoption and the resulting impact on the financial statements.

In August 2014, the FASB issued “Accounting Standards Update No. 2014-15,” Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40) (“Update 2014-15”), which requires management to assess a company’s ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. For public entities, Update 2014-15 was effective for annual reporting periods ending after December 15, 2016. The Company adopted this update in 2016 resulting in no impact on its consolidated results of operations, financial position, cash flows and disclosures.

In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842):” The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases while the accounting by a lessor is largely unchanged from that applied under previous GAAP. The amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of this new standard.

In March 2016, the FASB issued ASU No. 2016-09, “Compensation – Stock Compensation (Topic 718):” (“ASU 2016-09”). ASU 2016-09 identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2016 and for interim periods within those fiscal years, with early adoption permitted. The Company adopted this update effective January 1, 2017.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230):” Classification of Certain Cash Receipts and Cash Payments. This ASU addresses the classification of certain specific cash flow issues including debt prepayment or extinguishment costs, settlement of certain debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of certain insurance claims and distributions received from equity method investees. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is currently assessing the impact of this new guidance.

In January 2017, the FASB issued ASU No. 2017-04, “Compensation – Retirement Benefits (Topic 715):” to simplify the measurement of goodwill by eliminating the Step 2 impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit’s goodwill with the carrying amount of that goodwill. The new guidance requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The new guidance becomes effective for goodwill impairment tests in fiscal years beginning after December 15, 2019, though early adoption is permitted. The Company is currently assessing the impact of this new guidance.

In January 2017, the FASB issued ASU No. 2017-01, “Business Combinations (Topic 805):” This ASU clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. For public entities, this ASU is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted for transactions for which the acquisition date occurs before the effective date of the ASU only when the transaction has not been reported in financial statements that have been issued. The Company chose to early adopt this standard effective for the year ended December 31, 2016.

In January 2017, the FASB issued ASU 2017-04, “Intangibles—Goodwill and Other (Topic 350):” which removes Step 2 of the goodwill impairment test. Step 2 requires the assessment of fair value of individual assets and liabilities of a reporting unit to measure goodwill impairments. Goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value. ASU 2017-4 will be effective for annual and any interim impairment tests performed for periods beginning after December 15, 2019, on a prospective basis, and early adoption is permitted.

In May 2017, the FASB issued ASU 2017-09, “Compensation-Stock Compensation (Topic 718):” scope of modification accounting (“ASU 2017-09”), which provides clarity regarding the applicability of modification accounting in relation to share-based payment awards. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The effective date for the standard is for fiscal years beginning after December 15, 2017, which for the Company is January 1, 2018. Early adoption is permitted. The new standard is to be applied prospectively. The Company does not expect ASU 2017-09 to have a material impact on its consolidated financial statements.

Note 3. Property and Equipment

Property and equipment, net, consisted of the following:

	<u>September 30,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
Promotion equipment	\$ 83,185	\$ 31,393
Production equipment	110,245	61,209
Equipment, furniture and other	165,382	42,660
Total property and equipment	<u>358,812</u>	<u>135,262</u>
Less accumulated depreciation	<u>(109,760)</u>	<u>(12,950)</u>
Total property and equipment, net	<u>\$ 249,052</u>	<u>\$ 122,312</u>

Depreciation expense for the three and nine months ended September 30, 2017 was \$41,111 and \$96,810, respectively.

Depreciation expense for the three and nine months ended September 30, 2016 was zero for both periods.

Note 4. Acquisitions

The Company completed the following acquisitions during the nine months ended September 30, 2017:

SuckerPunch

On January 4, 2017, the Company acquired the stock of Roundtable Creative Inc., a Virginia corporation d/b/a SuckerPunch Entertainment, a leading fighter management and marketing company, for an aggregate purchase price of \$1,686,347, of which \$357,500 was paid in cash and \$1,146,927 was paid with the issuance of 307,487 shares of Alliance MMA common stock valued at \$3.73 per share, the fair value of Alliance MMA common stock on January 4, 2017 and \$181,920 was paid with the issuance of a warrant to acquire 93,583 shares of the Company's common stock.

Fight Time

On January 18, 2017, the Company acquired the mixed martial arts promotion business of Fight Time Promotions, LLC ("Fight Time") for an aggregate consideration of \$371,468, of which \$84,000 was paid in cash and \$287,468 was paid with the issuance of 74,667 shares of the Alliance MMA's common stock valued at \$3.85 per share, the fair value of Alliance MMA common stock on January 18, 2017.

National Fighting Championships

On May 12, 2017, Alliance MMA acquired the mixed martial arts promotion business of Undisputed Productions, LLC, doing business as National Fighting Championships or NFC for an aggregate consideration of \$506,227, of which \$140,000 was paid in cash and \$366,227 was paid with the issuance of 273,304 shares of Alliance MMA common stock valued at \$1.34 per share, the fair value of Alliance MMA common stock on May 12, 2017.

Fight Club OC

On June 14, 2017, Alliance MMA acquired the mixed martial arts promotion business of The Englebrecht Company, Inc., doing business as Roy Englebrecht Promotions and Fight Club Orange County for an aggregate consideration of \$1,018,710 of which \$207,900 was paid in cash and \$810,810 was paid with the issuance of 693,000 shares of the Company's common stock valued at \$1.17 per share, the fair value of Alliance MMA common stock on June 14, 2017.

Victory Fighting Championship

On September 28, 2017, Alliance MMA acquired the mixed martial arts promotion business of Victory Fighting Championship, LLC, doing business as Victory Fighting Championship for an aggregate consideration of \$822,938 of which \$180,000 was paid in cash and \$642,938 was paid with the issuance of 267,891 shares of the Company's common stock valued at \$2.40 per share, the fair value of Alliance MMA common stock on September 28, 2017.

All acquisitions have been accounted for as business acquisitions, under the acquisition method of accounting.

Preliminary Purchase Allocation – SuckerPunch

As consideration for the acquisition of SuckerPunch, the Company delivered the following amounts of cash and shares of common stock.

	Cash	Shares	Warrant Grant	Consideration Paid
SuckerPunch	\$ 357,500	307,487	93,583	\$ 1,686,347

In connection with the acquisition, 108,289 shares of the 307,487 shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of SuckerPunch post-closing. Accordingly, in the event the gross profit is less than \$265,000 during fiscal year 2017, all 108,289 shares held in escrow will be forfeited.

The following table reflects the preliminary allocation of the purchase price for SuckerPunch to identifiable assets and preliminary pro forma intangible assets and goodwill:

	SuckerPunch
Cash	\$ —
Accounts receivable, net	—
Intangible assets	1,525,584
Goodwill	160,763
Total identifiable assets	\$ 1,686,347
Total identifiable liabilities	—
Total purchase price	\$ 1,686,347

Preliminary Purchase Allocation – Fight Time Promotions

As consideration for the acquisition of the MMA promotion business of Fight Time, the Company delivered the following amounts of cash and shares of common stock.

	Cash	Shares	Consideration Paid
Fight Time	\$ 84,000	74,667	\$ 371,468

In connection with the business acquisition, 28,000 shares of the 74,667 shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of Fight Time post-closing. Accordingly, in the event the gross profit of Fight Time is less than \$60,000 during fiscal year 2017, all 28,000 shares held in escrow will be forfeited.

The following table reflects the preliminary allocation of the purchase price for the business of Fight Time to identifiable assets and preliminary pro forma intangible assets and goodwill:

	Fight Time
Cash	\$ —
Accounts receivable	—
Intangible assets	48,867
Goodwill	322,601
Total identifiable assets	\$ 371,468
Total identifiable liabilities	—
Total purchase price	\$ 371,468

Preliminary Purchase Allocation – National Fighting Championships

As consideration for the acquisition of the MMA promotion business of NFC, the Company delivered the following amounts of cash and shares of common stock.

	Cash	Shares	Consideration Paid
NFC	\$ 140,000	273,304	\$ 506,227

In connection with the business acquisition, 81,991 shares of the 273,304 shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of NFC post-closing. Accordingly, in the event the gross profit of NFC is less than \$100,000 during the 12 month period following the acquisition, all 81,991 shares held in escrow will be forfeited.

The following table reflects the preliminary allocation of the purchase price for the business of NFC to identifiable assets and preliminary pro forma intangible assets and goodwill:

	NFC
Cash	\$ —
Accounts receivable	—

Fixed assets	20,000
Intangible assets	120,000
Goodwill	366,227
Total identifiable assets	\$ 506,227
Total identifiable liabilities	—
Total purchase price	\$ 506,227

Preliminary Purchase Allocation – Fight Club OC

As consideration for the acquisition of the MMA promotion business of Fight Club OC, the Company delivered the following amounts of cash and shares of common stock.

	Cash	Shares	Consideration Paid
Fight Club OC	\$ 207,900	693,000	\$ 1,018,710

In connection with the business acquisition, 258,818 shares of the 693,000 shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of Fight Club OC post-closing. Accordingly, in the event the gross profit of Fight Club OC is less than \$148,500 during the 12 month period following the acquisition, all 258,818 shares held in escrow will be forfeited. Among the assets purchased is a cash balance of \$159,000 related to customer deposits on ticket sales for future 2017 MMA promotion events.

The following table reflects the preliminary allocation of the purchase price for the business of the Fight Club OC to identifiable assets, liabilities, and preliminary pro forma intangible assets and goodwill:

	Fight Club OC
Cash	\$ 159,000
Accounts receivable	—
Intangible assets	500,000
Goodwill	518,710
Total identifiable assets	\$ 1,177,710
Total identifiable liabilities	(159,000)
Total purchase price	\$ 1,018,710

Preliminary Purchase Allocation – Victory Fighting Championship

As consideration for the acquisition of the MMA promotion business of Victory, the Company delivered the following amounts of cash and shares of common stock.

	Cash	Shares	Consideration Paid
Victory Fighting Championship	\$ 180,000	267,891	\$ 822,938

In connection with the business acquisition, 121,699 shares of the 267,891 shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of Victory post-closing. Accordingly, in the event the gross profit of Victory is less than \$140,000 during the 12 month period following the acquisition, all 121,699 shares held in escrow will be forfeited. Additionally, 146,192 shares were placed into a separate escrow to indemnify the Company for potential additional expenses incurred by Victory prior to the acquisition and to cover any uncollectible accounts receivable.

The following table reflects the preliminary allocation of the purchase price for the business of Victory to identifiable assets, liabilities, and preliminary pro forma intangible assets and goodwill:

	Victory
Cash	\$ —
Accounts receivable	32,180
Fixed assets	30,000
Intangible assets	600,000
Goodwill	268,167
Total identifiable assets	\$ 930,347
Total identifiable liabilities	(107,409)
Total purchase price	\$ 822,938

Final Purchase Allocation - Initial Business Units

The Company completed the first tranche of its IPO on September 30, 2016, and closed the acquisitions of the Initial Business Units and the Acquired Assets. The transactions were accounted for as business combinations and the results of operations of the Initial Business Units have been included in the Alliance MMA results since the date of acquisition.

The following table is a reconciliation of the preliminary purchase price allocation at September 30, 2016 to the final purchase price allocation based on the final fair value of the acquired assets and assumed liabilities at the acquisition date:

Under acquisition accounting, assets and liabilities acquired are recorded at their fair value on the acquisition date, with any excess in purchase price over these values being allocated to identifiable intangible assets and goodwill at September 30, 2017.

	Preliminary	Adjustments	Final
Cash and equivalents	\$ 118,764	\$ —	\$ 118,764
Accounts receivable and other current assets, net	34,599	—	34,599
Property and equipment, net	23,661	—	23,661
Intangible assets	5,839,700	(2,264,700)	3,575,000
Goodwill	2,878,071	1,561,942	4,440,013
Total identifiable assets	\$ 8,894,795	\$ 702,758	\$ 8,192,037
Accounts payable and accrued expenses	1,055,906	(702,758)	353,148
Total identifiable liabilities	\$ 1,055,906	\$ (702,758)	\$ 353,148
Total purchase price	\$ 7,838,889	\$ —	\$ 7,838,889

The Company allocated \$3,575,000 to intangible assets as follows:

Intangible assets	Useful Life	Allocated Amount
Video library, intellectual property	4 years	\$ 1,125,000
Venue relationships	7 years	1,720,000
Ticketing software	3 years	90,000
Trademark and brand	3 years	330,000
Promoter relationships	6 years	310,000
Total intangible assets, gross		<u>\$ 3,575,000</u>

In conjunction with the final purchase price allocation, the Company recognized a cumulative measurement period adjustment benefit of approximately \$(551,687) related to the adjustment to intangible assets. This benefit is a reduction to amortization expense which is included within General and Administrative expense of the Statement of Operations for the three and nine months ended September 30, 2017.

Goodwill and Identifiable Intangible Assets

Goodwill

The change in the carrying amount of goodwill for the nine months ended September 30, 2017 is:

Balance as of December 31, 2016	\$ 3,271,815
Goodwill – Sucker Punch	160,763
Goodwill – Fight Time Promotions	322,601
Goodwill – National Fighting Championships	366,227
Goodwill – Fight Club OC	518,710
Goodwill – Victory	268,167
Final purchase price adjustment – Initial Business Units	1,561,942
Balance as of September 30, 2017	<u>\$ 6,470,225</u>

Intangible Assets

Identified intangible assets consist of the following:

Intangible assets	Useful Life	September 30, 2017			December 31, 2016		
		Gross Assets	Accumulated Amortization	Net	Gross Assets	Accumulated Amortization	Net
Video library, intellectual property	4 years	\$ 1,158,500	\$ 286,136	\$ 872,364	\$ 3,512,741	\$ 181,824	\$ 3,330,917
Venue relationships	7 years	1,720,000	245,174	1,474,826	1,966,400	163,867	1,802,533
Ticketing software	3 years	90,000	30,000	60,000	360,559	30,047	330,512
Trademark and brand	3 years	1,723,867	283,946	1,439,921	325,000	8,749	316,251
Fighter contracts	3 years	1,525,584	381,396	1,144,188	—	—	—
TV contract	2 years	200,000	—	200,000	—	—	—
Promoter relationships	6 years	310,000	51,668	258,332	—	—	—
Total intangible assets, gross		<u>\$ 6,727,951</u>	<u>\$ 1,278,860</u>	<u>\$ 5,449,091</u>	<u>\$ 6,164,700</u>	<u>\$ 384,487</u>	<u>\$ 5,780,213</u>

Amortization expense for the three months ended September 30, 2017 and 2016, was \$382,374 less the cumulative measurement period adjustment benefit of \$(551,687) or \$(169,313), net and \$0, respectively.

The amortization expense benefit of \$(551,687) for the quarter ended September 30, 2017, is attributable to the final purchase price allocation of the Initial Business Units and reclass of \$2,264,700 from intangible assets to goodwill.

Amortization expense for the nine months ended September 30, 2017 and 2016, was \$894,373 and \$0, respectively.

As of September 30, 2017, estimated amortization expense for the unamortized acquired intangible assets over the next five years and thereafter is as follows:

2017 (Remaining three months)	\$ 437,672
2018	1,750,688
2019	1,714,716
2020	736,695
2021	288,344
Thereafter	520,976
	<u>\$ 5,449,091</u>

Pro Forma Results

The combined pro forma net revenue and net loss of the Company as if Initial Business Units were acquired in January 1, 2016 are (in 000's):

	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Revenue	\$ 335	\$ 1,559
Net (loss)	\$ (848)	\$ (4,052)

Significant adjustments to expenses for the three months ended September 30, 2016 include \$420,000 of amortization of acquired intangible assets.

Significant adjustments to expenses for the nine months ended September 30, 2016 include \$1,127,000 of amortization of acquired intangible assets, and \$311,000 professional fees attributable to consulting fees related to the acquisitions.

Note 5. Commitments and Contingencies

Operating Leases

The Company does not own any real property. The principal executive offices are located at an office complex in New York, New York, which includes approximately twenty thousand square feet of shared office space and services that we are leasing. The lease had an original one-year term that commenced on December 1, 2015, which was renewed until November 30, 2018. The lease allows for the limited use of private offices, conference rooms, mail handling, videoconferencing, and certain other business services.

In November 2016, the Company entered a sublease agreement for office and video production space in Cherry Hill, New Jersey. The lease expires on June 30, 2019.

With the acquisition of Fight Club OC, the Company assumed a lease for office space in Orange County, California. The lease expires in September 2018.

Each of the acquired business operate from home offices or shared office space arrangements.

Rent expense was \$30,000 and \$0 for the three months ended September 30, 2017 and 2016, respectively.

Rent expense was \$87,000 and \$0 for the nine months ended September 30, 2017 and 2016, respectively.

As of September 30, 2017, the aggregate minimum lease payments for the years ending December 31, 2017, 2018, and 2019 were:

2017 (three months remaining)	\$	34,292
2018		147,507
2019		76,201
Total minimum lease payments	\$	<u>258,000</u>

Contingencies

Legal Proceedings

In the normal course of business or otherwise, we may become involved in legal proceedings. We will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred.

In April and May 2017, two purported securities class action complaints—*Shapiro v. Alliance MMA, Inc.*, No. 1:17-cv-2583 (D.N.J.), and *Shulman v. Alliance MMA, Inc.*, No. 1:17-cv-3282 (S.D.N.Y.)—were filed against the Company and certain of its officers in the United States District Court for the District of New Jersey and the United States District Court for the Southern District of New York, respectively. The complaints allege that the defendants violated certain provisions of the federal securities laws, and purport to seek damages on behalf of a class of shareholders who purchased the Company's common stock pursuant or traceable to the Company's initial public offering. In July 2017, the plaintiffs in the New York action voluntarily dismissed their claim. The court has not yet ruled on the motion by the claimants in the New Jersey case to be named lead plaintiffs.

We believe that the remaining claim is without merit and intend to defend against it vigorously. Based on the very early stage of the litigation, it is not possible to estimate the amount or range of possible loss that might result from an adverse judgment or a settlement of the case. The Company maintains directors and officers insurance and has notified its insurance carrier of the claims made against it.

Earn Out

Management evaluated the financial performance of the Initial Business Units compared to the earn out thresholds as described in the respective Asset Purchase Agreements. Based upon Management's estimates the Company recognized an earn out liability during the third quarter 2017 of approximately \$310,000 related to Shogun's financial results. This estimated amount is subject to provisions as defined in the related Asset Purchase Agreement. Additionally, the liability will be settled with the issuance of approximately 141,000 shares of Alliance MMA common stock and will be remeasured each reporting period until the shares are issued.

Note 6. Stockholders' Equity

Common Stock Private Placement

In July 2017, the board of directors approved the issuance of up to \$2.5 million of AMMA stock in one or more private placements. In July 2017, Board members and an employee executed subscription agreements for 513,761 units at a purchase price of \$1.09 per unit. In August 2017, the Company determined that the amount raised through such sales was insufficient to meet its current needs, and accordingly solicited subscription agreements from third parties for 965,000 units at \$1.00 per unit. Each unit sold in these placements consists of one restricted share of AMMA common stock and a warrant to acquire one share of common stock at an exercise price of \$1.50 per share. The Company issued all 1,478,761 shares of common stock sold in these placements on August 29, 2017.

Stock Option Plan

Common Stock Grant

In February 2017, the Company entered a consulting arrangement with DC Consulting for management consulting services with a term of one year and included the grant of 150,000 shares subject to board of director approval. In July 2017, the Company issued the 150,000 restricted shares to DC Consulting under the arrangement and recognized stock based compensation of approximately \$148,000, the fair value of the shares on the date of issuance, in relation to the common stock grant.

Option Grants

On December 19, 2016, the Board of Directors of the Company awarded stock option grants under the 2016 Equity Incentive Plan to four employees to acquire an aggregate of 200,000 shares of the Company's common stock. The stock options have a term of 10 years and an exercise price of \$3.56 per share, vest annually over three years in three equal tranches and have a grant date fair value of \$497,840. The Company determined the fair value of the stock options using the Black-Scholes model. Each award was accepted by the recipient during the first quarter 2017 at which point the Company began to recognize stock-based compensation expense.

On February 1, 2017, the Company entered into an employment agreement with James Byrne as the Company's Chief Marketing Officer. In connection with Mr. Byrne's employment he was awarded a stock option grant to acquire 100,000 shares of the Company's common stock. The stock option has a term of 5 years, an exercise price of \$3.55, and a grant date fair value of \$247,882, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On May 15, 2017, the Company entered into an employment agreement with Ira Rainess as the Company's EVP of Business Affairs. In connection with Mr. Rainess' employment, in September 2017, he was awarded a stock option grant to acquire 100,000 shares of the Company's common stock. The stock option has a term of 3 years, an exercise price of \$1.30, and a grant date fair value of \$53,306, and vests one half of the shares on the one year anniversary of the grant date of one half on the one year anniversary thereafter. The Company determined the fair value of the stock option using the Black-Scholes model.

Warrant Grants

On January 4, 2017, in connection with the acquisition of SuckerPunch, the Company entered an employment agreement with Bryan Hamper as Managing Director. Mr. Hamper was awarded a warrant to acquire 93,583 shares of the Company's common stock. The warrant has a term of 10 years, an exercise price of \$3.74, and a grant date fair value of \$181,920, and was fully-vested upon grant and is included as a component of the SuckerPunch purchase price. The Company determined the fair value of the warrant using the Black-Scholes model.

On March 10, 2017, the Company entered into a service agreement with World Wide Holdings and issued a warrant to acquire 250,000 shares of the Company's common stock. The warrant has an exercise price of \$4.50, term of three years and vest in equal one third increments on April 1, July 1 and October 1, 2017. The Company has recognized stock-based compensation expense of \$169,401 during the three months ended June 30, 2017 as the vendor is not required to perform future services to earn the warrant and the vesting provisions are only time based.

The number of shares of the Company's common stock that are issuable pursuant to warrant and stock option grants with time based vesting as of September 30, 2017 are:

	Warrant Grants		Stock Option Grants	
	Number of Shares Subject to Warrants	Weighted-Average Exercise Price Per Share	Number of Shares Subject to Options	Weighted-Average Exercise Price Per Share
Balance at December 31, 2016	222,230	\$ 7.43	200,000	\$ 4.50
Granted	1,822,344	2.03	400,000	2.99
Exercised	—	—	—	—
Forfeited	—	—	—	—
Balance at September 30, 2017	2,044,574	\$ 2.61	600,000	\$ 3.50
Exercisable at September 30, 2017	482,480	5.70	166,666	3.93

As of September 30, 2017 and 2016, the total unrecognized expense for unvested stock options, net of expected forfeitures, was approximately \$642,694 and \$0, respectively, which is expected to be amortized on a weighted-average basis over a period of three years.

Stock-based compensation expense for the three and nine months ended September 30, 2017 and 2016 is as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
General and administrative expense	\$ 227,010	\$ —	\$ 787,988	\$ —

Stock-based compensation expense categorized by the equity components for the three and nine months ended September 30, 2017 and 2016 is as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Employee stock options	\$ 78,510	\$ —	\$ 470,087	\$ —
Warrants	—	—	169,401	—
Common stock	148,500	—	148,500	—
	\$ 227,010	\$ —	\$ 787,988	\$ —

Note 7. Net Loss per Share

Basic net loss per share is computed by dividing net loss for the period by the weighted average shares of common stock outstanding during each period. Diluted net loss per share is computed by dividing net loss for the period by the weighted average shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. The Company uses the treasury stock method to determine whether there is a dilutive effect of outstanding option grants.

The following table sets forth the computation of the Company's basic and diluted net loss per share for the periods presented:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net loss	\$ (2,462,054)	\$ (595,411)	\$ (7,135,962)	\$ (3,414,352)
Weighted-average common shares used in computing net loss per share, basic and diluted	10,714,200	5,289,882	9,608,042	5,289,221
Net loss per share, basic and diluted	\$ (0.23)	\$ (0.11)	\$ (0.74)	\$ (0.65)

The following securities were excluded from the computation of diluted net loss per share for the periods presented because including them would have been anti-dilutive:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Stock options (exercise price \$3.55 - \$4.50 per share)	166,666	—	166,666	—
Warrants (exercise price \$4.50 - \$7.43)	482,480	—	482,480	—
Total common stock equivalents	649,146	—	649,146	—

Note 8. Income Taxes

The Company recorded no income tax provision for the nine months ended September 30, 2017 and 2016, as the Company has incurred losses for these periods.

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due. Deferred taxes relate to differences between the basis of assets and liabilities for financial and income tax reporting which will be either taxable or deductible when the assets or liabilities are recovered or settled. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has established a full valuation allowance as it is more likely than not that the tax benefits will not be realized as of September 30, 2017.

Note 9. Subsequent Events

In November 2017, the Company completed a private placement of 390,000 units at \$1.25 per unit for approximately \$488,000 in aggregate. Each unit consists of one restricted share of AMMA common stock and a warrant to acquire one-half share of common stock at an exercise price of \$1.75 per whole share.

In October 2017 a purported stockholders' derivative claim was filed against the Company and certain of its officers based on the same facts as described in the class action complaints described in Note 1.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other written and oral statements made from time to time by us or on our behalf may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to anticipated future events, future results of operations or future financial performance. In some cases, you can identify forward-looking statements by terminology such as, "may," "might," "will," "should," "intends," "expects," "plans," "goals," "projects," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" and similar expressions or variations of such words that are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this Quarterly Report. The identification of certain statements as "forward-looking" is not intended to mean that other statements not specifically identified are not forward-looking. All statements other than statements about historical facts are statements that could be deemed forward-looking statements, including, but not limited to, statements that relate to:

- *Our ability to manage our growth;*
- *Our ability to effectively integrate and manage the businesses of the regional MMA promotions and related businesses we acquired, to create synergies among the businesses, and to leverage these synergies to achieve our business objective of creating a developmental league for the MMA industry;*
- *Our ability to compete with other regional MMA promotions for top ranked professional MMA fighters and for television and other content distribution arrangements;*
- *Sustained growth in the popularity of MMA among fans;*
- *Our ability to protect or enforce our intellectual property rights; and*
- *Other statements made elsewhere in this quarterly report.*

Although forward-looking statements in this Quarterly Report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks, uncertainties, and changes in condition, significance, value and effect, including those discussed below under the heading "Risk Factors" within Part I, Item 1A of this Quarterly Report and other documents we file from time to time with the Securities and Exchange Commission, such as our annual reports on Form 10-K for the year ended December 31, 2016, our quarterly reports on Form 10-Q and our current reports on Form 8-K. Such risks, uncertainties and changes in condition, significance, value and effect could cause our actual results to differ materially from those expressed herein and in ways not readily foreseeable. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report and are based on information currently and reasonably known to us. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report. Readers are urged to review carefully and consider the various disclosures made in this Quarterly Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

Corporate Information

Our principal executive offices are located at 590 Madison Avenue, 21st Floor, New York, New York, 10022. Our telephone number is (212) 739-7825. We maintain a web site at www.alliancemma.com. The reference to the Company's website address does not constitute incorporation by reference of the information contained on this website.

In the Quarterly Report, the "Company", "we", "us", and "our" refers to Alliance MMA, Inc., which operates its business through its parent company and subsidiaries. Unless otherwise specified, the financial results in this Quarterly Report are those of the Company and its subsidiaries on a consolidated basis.

Business Overview

Nature of Business

The Company was formed on February 12, 2015 to acquire companies in the mixed martial arts ("MMA") industry, and to develop and promote fighters to the sport's highest level of professional competition, including The Ultimate Fighting Championship (UFC), Bellator MMA, World Series of Fighting (now known as the "Professional Fighter League") and other prestigious MMA promotions worldwide. The Company plans ultimately to promote over 125 domestic events per year, showcasing more than 1,000 fighters, through regional promotions operating under the Alliance MMA umbrella. As of the date of this filing, the Company has acquired 12 businesses and hired the general manager and staff of Explosive Fight Promotions in Ohio, to form the operations of Alliance MMA. See Note 1 – "Description of Business and Basis of Presentation" and Note 4 – "Acquisitions" of the Notes to Consolidated Financial Statements for additional information concerning the businesses acquired by the Company.

Results of Operations - 3 Months Ended September 30, 2017

Revenues

Our revenue is derived primarily from promotional activities including gate receipts, venue fees, food and beverage sales, merchandise sales, and sponsorships. Revenue from ticket sales is realized at the conclusion of the promotion. The majority of our ticket sales are made in cash which is collected prior to the start of the event. Sponsorship and venue fees are earned with the completion of the event and customers typically pay such fees within 60 days following the event. We generate additional revenue from ticket services from CageTix, fees earned through broadcast television advertising, internet streaming pay-per-view offerings, video production services from Alliance Sports Media, and from management commissions associated with fighter purses, third-party video pay-per-view sales, personal brand sponsorships and ancillary activities from SuckerPunch.

Revenue for the three months ended September 30, 2017 was \$1.05 million, compared to \$0 in the same period 2016 as the Company had not yet commenced operations until the completion of our IPO. During the third quarter 2017 the Company held 23 promotions resulting in \$740,000 of revenue. Net revenue from ticket services, electronic content distribution and video production totaled \$59,000, and revenue from fighter-related commission was \$253,000. We expect revenues to increase as we continue to acquire MMA promotions and enhance the revenue opportunities for our existing promotions and related businesses.

Expenses

General and administrative expenses increased approximately \$1,395,000 to \$1,753,000 for the three months ended September 30, 2017 compared to \$358,000 in the same period of 2016. The third quarter 2016 General and Administrative expenses were composed of expenses in preparation of the Company's IPO including \$20,000 of stock based compensation \$42,000 of travel expenses \$77,000 of fees, \$13,000 of business insurance, \$31,000 of employee salary, \$17,000 of sales and marketing and \$158,000 of consulting services. Whereas the three months ended September 2017 reflect the integration and operation of the promotions we acquired during 2016 and 2017, and comprise primarily the following approximate expenditures:

- \$765,000 of employee salary and benefits;
- \$227,000 in stock-based compensation;¹
- \$310,000 in earn out expense associated with the Initial Acquisitions;¹
- \$(169,000) of amortization of intangible assets;¹
- \$41,000 of depreciation of fixed assets;¹
- business-related travel of \$262,000;
- business insurance of \$35,000;
- sales and marketing expenses of \$135,000;
- IT-related expenses of \$53,000;
- \$62,000 related to stock maintenance and listing fees, payroll services, postage and other general and administrative expenses; and
- \$32,000 in rent and leasehold expenses.

¹ These expenses, totaling \$409,000 represent non-cash charges.

Professional and consulting expenses decreased by \$20,000 compared to the quarter ended September 30, 2016, primarily as a result of a decrease in, legal fees of \$100,000 mainly related to the acquisitions and evaluation of potential acquisitions and preparation for our IPO in 2016 not incurred in 2017. 2017 legal fees mainly relate to fees to defend against a purported class action lawsuit. The reduction in legal fees was offset by an increase in consulting of \$55,000, investor relations of \$23,000.

We believe professional and consulting expenses will continue to be a significant cost as we continue to evaluate and acquire companies.

Results of Operations - Nine Months Ended September 30, 2017

Revenues

Revenue for the nine months ended September 30, 2017 was \$2.9 million compared to \$0 in the same period 2016 as the Company had not yet commenced operations until completion of our IPO in October 2016. During the nine months ended September 30, 2017, the Company held 47 promotions resulting in \$1,956,000 of revenue. Net revenue from ticket services, electronic content distribution and video production totaled \$249,000, and revenue from fighter-related commissions was \$736,000. We expect revenues to increase as we continue to acquire MMA promotions and enhance the revenue opportunities for our existing promotions and related businesses.

Expenses

General and administrative expenses increased approximately \$3,500,000 to \$6,500,000 for the nine months ended September 30, 2017 compared to \$2,994,000 million in the same period of 2016. The nine months ended September 30, 2016 General and Administrative expenses were comprised of \$2,615,000 of stock-based compensation, \$46,000 of travel, \$78,000 of fees, \$13,000 of business insurance, \$31,000 of employee salary, \$25,000 of sales and marketing, and \$186,000 of consulting services. Whereas the nine months ended September 30, 2017 reflect the integration and operation of the promotions we acquired during 2016 and 2017, and comprise primarily the following approximate expenditures:

- \$2,705,000 of employee salary and benefits;
- \$788,000 in stock-based compensation;¹
- \$310,000 in earn out expense associated with the Initial Acquisitions;¹
- \$894,000 of amortization of intangible assets;¹
- \$97,000 of depreciation of fixed assets;¹
- business-related travel of \$543,000;
- business insurance of \$122,000;
- sales and marketing expenses of \$438,000;
- IT-related expenses of \$144,000;
- \$360,000 related to stock maintenance and listing fees, payroll services, postage and other general and administrative expenses; and
- \$93,000 in rent and leasehold expenses.

¹ These expenses, totaling \$2,089,000 represent non-cash charges.

Professional and consulting expenses increased by \$493,000 compared to the nine months ended September 30, 2016, primarily as a result of an increase in accounting and auditing related expenses of \$190,000, legal fees of \$110,000 mainly related to the acquisitions and evaluation of potential acquisitions and legal fees to defend against purported class action lawsuits, public relations expense of \$119,000 offset by a reduction in SEC related fees of \$18,000.

We believe professional and consulting expenses will continue to be a significant cost as we continue to evaluate and acquire companies.

Liquidity and Capital Resources

Our primary sources of cash used in the nine months ended September 30, 2017 have been the issuance of stock in our initial public offering and subsequent private placements, and the operation of the combined Alliance MMA businesses.

As of September 30, 2017, our cash balance was \$1.0 million, which consists primarily of cash on deposit with banks. Our principal uses of cash include the acquisition of regional promotions, the payment of operating expenses, and the acquisition of capital assets.

	Nine Months Ended September 30,	
	2017	2016
Consolidated Statements of Cash Flows Data:		
Net cash used in operating activities	\$ (4,158,826)	\$ (864,218)
Net cash used in investing activities	(1,008,950)	(1,391,736)
Net cash provided by financing activities	1,525,000	7,378,830
Net (decrease) increase in cash	<u>\$ (3,642,776)</u>	<u>\$ 5,122,876</u>

Our primary need for liquidity is to fund the working capital needs of our business, our planned capital expenditures, the continued acquisition of regional promotions and related companies, and general corporate purposes. We have incurred losses and experienced negative operating cash flows since the inception of our operations in October 2016. We believe, however, that the successful implementation of our business plan, along with other actions we have taken and will continue to take, will improve our operating margins and address corporate overhead expenditures.

Since completing our IPO in October 2016, we have focused primarily on building out a domestic MMA platform, which is expected eventually to include a presence in the top 20 media markets. To date, we have created a persistent brand presence in twelve markets through the acquisition of ten promotional businesses along with the promotion of regional Alliance MMA events in two additional markets. We have also continued to develop our existing media library of live MMA events, and have built a professional corporate infrastructure that will support our long-term goals. These activities and investments in our business directly support our stated goal of promoting at least 125 regional MMA events annually.

To ensure the Company's capital needs are met over the next twelve months, in August 2017, the Company completed a capital raise of approximately \$1.5 million through the placement of 1.5 million units which consist of one share of common stock and a warrant to purchase one share of common stock at an exercise price of \$1.50 per share.

In October and November 2017, the Company raised approximately \$488,000 through the placement of 390,000 units which consist of one share of common stock and a warrant to purchase one-half share of common stock at an exercise price of \$1.75 per whole share.

Additionally in November, the Company filed a Universal Shelf Registration Statement on Form S-3 which allows the Company to issue various types of securities up to an aggregate \$20 million.

Management is in negotiations with multiple national sponsors and, on the basis of those negotiations, expects to receive at least \$500,000 in national sponsorship revenue during the next twelve months.

Additionally, management is in discussions with national casinos to promote our MMA events at venues that would produce better margins through entertainment fees paid to the Company and, in certain cases, a reduction in event overhead through complimentary food and lodging for fighters and staff.

While many challenges associated with successfully executing our aggressive expansion plan exist, and while our historical operating results raise doubts with respect to our ability to continue as a going concern, we expect that our recent and anticipated financings, the continued implementation of our business plan and the expected increase in sponsorship revenue will provide sufficient liquidity and financial flexibility over the next twelve months. We cannot, however, predict with certainty the outcome of our actions to generate liquidity, including our success in raising additional capital or the anticipated results of our operations.

Operating Activities

Cash used in operating our businesses was approximately \$4.2 million for the nine months ended September 30, 2017. For the nine months ended September 30, 2016, we used approximately \$0.9 million of cash in preparing for our initial public offering and the acquisition of the Initial Business Units.

Except for increases in costs related to the evaluation and acquisition of additional businesses (which will be offset by the revenues provided by such acquisitions), we do not anticipate a material increase in quarterly cash expenditures during the balance of 2017 unless we begin to acquire businesses at a faster pace. We expect it to take approximately twelve months from the date of acquisition to integrate the operations and cost structure of a promotion or other business, and produce the intended improvement in profitability.

Investing Activities

Cash used in investing activities was approximately \$1.0 million for the nine months ended September 30, 2017, related to the acquisitions of SuckerPunch, Fight Time, NFC, Fight Club OC, and Victory totaling \$0.8 million in the aggregate, the acquisition of a video library from Sheffield for \$25,000, and fixed asset purchases totaling \$174,000.

Cash used in investing activities was \$1.4 million in 2016 related to acquisition of the Initial Business Units, and Initial Acquired assets.

Financing Activities

Cash provided by financing activities was \$1.5 million for the nine months ended September 30, 2017, related to the private placement of common stock.

Cash provided by financing activities was \$7.4 million for the nine months ended September 30, 2016, primarily related to the Company's IPO.

Contractual Cash Obligations

Our operating lease obligation represents the future minimum lease payments under non-cancelable facility operating lease.

See Note 5— "*Commitments and Contingencies*" of the Notes to Consolidated Financial Statements for additional detail.

Off-Balance Sheet Arrangements

As of September 30, 2017, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Estimates

During the nine months ended September 30, 2017 there were no significant changes in our critical accounting policies with the exception of fighter commission revenue recognition policy. See Note 2 – "*Summary of Significant Accounting Policies*" of the Notes to the Condensed Consolidated Financial Statements for additional detail. For a discussion of our critical accounting policies and estimates, see Part II, Item 7 – *Management's Discussion and Analysis of Financial Condition and Results of Operations* in the Form 10-K.

Recent Accounting Pronouncements

See Note 2— "*Recent Accounting Pronouncements*" of the Notes to Condensed Consolidated Financial Statements for a full description of recent accounting pronouncements including the respective expected dates of adoption.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Attached as exhibits to this Form 10-Q are certifications of the Company's Chief Executive Officer and Chief Financial Officer, which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section includes information concerning the controls and controls evaluation referred to in the certifications and should be read in conjunction with the certifications for a more complete understanding of the topics presented.

This Quarterly Report on Form 10-Q does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the company's registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for newly public companies.

As we are an emerging growth company and a newly-public company with a limited operating history following the completion of our initial public offering in October 2016, we have only recently commenced implementing "disclosure controls and procedures" ("Disclosure Controls"), as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, which are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. We conducted an evaluation of the effectiveness of our Disclosure Controls as of September 30, 2017, the end of the period covered by this Quarterly Report on Form 10-Q. The Disclosure Controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, due to our limited financial and manpower resources, our Disclosure Controls were not effective as of September 30, 2017, such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

Management is in the process of determining how best to implement an effective system to ensure that information required to be disclosed in this Quarterly Report on Form 10-Q and subsequent filings to be submitted under the Exchange Act will be recorded, processed, summarized and reported accurately. Our management intends to develop procedures to address these issues to the extent possible given the limitations in our financial and manpower resources. No assurance can be made the implementation of these controls and procedures will be completed in a timely manner or that such controls or procedures will be adequate once implemented.

Change in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), during the Company's most recent quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In the normal course of business or otherwise, we may become involved in legal proceedings. We will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred.

In April and May 2017, two purported securities class action complaints—*Shapiro v. Alliance MMA, Inc.*, No. 1:17-cv-2583 (D.N.J.), and *Shulman v. Alliance MMA, Inc.*, No. 1:17-cv-3282 (S.D.N.Y.)—were filed against the Company and certain of its officers in the United States District Court for the District of New Jersey and the United States District Court for the Southern District of New York, respectively. The complaints allege that the defendants violated certain provisions of the federal securities laws, and purport to seek damages on behalf of a class of shareholders who purchased the Company's common stock pursuant or traceable to the Company's initial public offering. In July 2017, the plaintiffs in the New York action voluntarily dismissed their claim. The court has not yet ruled on the motion by the claimants in the New Jersey case to be named lead plaintiffs.

In October 2017 a purported stockholders' derivative action was filed against the Company and certain of its officers based on the same facts as described in the purported class action complaints.

We believe that these claims are without merit and intend to defend against them vigorously. Based on the very early stage of the litigation, it is not possible to estimate the amount or range of possible loss that might result from an adverse judgment or a settlement of these cases. The Company maintain directors and officers insurance and has notified its insurance carrier of the claims made against it.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors disclosed in the Company's Form 10-K that was filed with the Securities and Exchange Commission on April 17, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In July 2017, the board of directors approved the issuance up to \$2.5 million of AMMA stock in one or more private placements. In July 2017, certain board members and an employee executed subscription agreements for 513,761 units at a purchase price of \$1.09 per unit. In August 2017, the Company determined that the amount raised through such sales was insufficient to meet its current needs, and accordingly solicited subscription agreements from third parties for 965,000 units at a purchase price of \$1.00 per unit. Each unit sold in these placements consists of one restricted share of AMMA common stock and a warrant to acquire one share of common stock at a price of \$1.50 per share. The Company issued all 1,478,761 shares of common stock sold in these placements on August 29, 2017.

In November, 2017, the Company completed a private placement of 390,000 units at a purchase price of \$1.25 per unit for approximately \$488,000 in the aggregate. Each unit consists of one restricted share of AMMA common stock and a warrant to acquire one-half share of common stock at an exercise price of \$1.75 per whole share.

Item 3. Defaults Upon senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On November 13, 2017, the Company received a letter from Nasdaq noting the vacancies created on the Company's Board of Directors, and on the Audit and Compensation Committees thereof, created by the departure of Mark Shefts from the Board on October 24, 2017. As a result of these vacancies, the Audit Committee currently has two independent members instead of the three independent members required by the Nasdaq's listing standards, and the Compensation Committee has one independent member instead of the required two. In the letter, Nasdaq informed the Company of the applicable "cure period" during which the Company must fill the outstanding vacancies on these committees, and that if the vacancies were not filled by the end of such cure period, the Company would be in violation of the Nasdaq's listing requirements. The cure period for both vacancies is the earlier to occur of the Company's next annual meeting of stockholders or October 24, 2018. Management has commenced a search for a new independent director to fill these vacancies.

Item 6. Exhibits.

Exhibit No.	Exhibit Title
31.1*	<u>Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.</u>
31.2*	<u>Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.</u>
32.1 (1)*	<u>Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2 (1)*	<u>Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Label Linkbase Document*
101.PRE	XBRL Taxonomy Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Document*

* Filed Herewith

(1) The certifications on Exhibit 32 hereto are deemed not “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

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

ALLIANCE MMA, INC

Date: November 14, 2017

By: /s/ Paul Danner
Name: Paul Danner
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ John Price
Name: John Price
Title: Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)

CERTIFICATION

I, Paul Danner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alliance MMA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)):
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

By: /s/ Paul Danner
Paul Danner
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, John Price, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alliance MMA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)):
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

By: /s/ John Price

John Price
Principal Financial Officer
(Principal Accounting Officer)

**Certificate Pursuant to Rule 13a-14(b)
of the Securities Exchange Act of 1934 and
18 U.S.C. Section 1350**

In connection with this Quarterly Report (the "Report") of Alliance MMA, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the three months ended September 30, 2017, as filed with the U.S. Securities and Exchange Commission, I, Paul Danner, Principal Executive Officer, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

By: /s/ Paul Danner
Paul Danner
Chief Executive Officer
(Principal Executive Officer)

**Certificate Pursuant to Rule 13a-14(b)
of the Securities Exchange Act of 1934 and
18 U.S.C. Section 1350**

In connection with this Quarterly Report (the "Report") of Alliance MMA, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the three months ended September 30, 2017, as filed with the U.S. Securities and Exchange Commission, I, John Price, Principal Accounting Officer, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

By: /s/ John Price
John Price
Principal Financial Officer
(Principal Accounting Officer)
