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

FORM 8-K

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

Date of Report: (Date of Earliest Event Reported): **August 14, 2023**

THE ARENA GROUP HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**001-12471**	**68-0232575**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

200 VESEY STREET, 24TH FLOOR NEW YORK, NEW YORK	**10281**
(Address of principal executive offices)	(Zip code)

212-321-5002
(Registrant's telephone number including area code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	AREN	NYSE American

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

Item 1.01 Entry into a Material Definitive Agreement.

Binding Letter of Intent

On August 14, 2023, The Arena Group Holdings, Inc. (the "Company") entered into a binding letter of intent (the "Letter of Intent") with Simplify Inventions, LLC ("Simplify"). Pursuant to the Letter of Intent, Simplify will receive common equity in the Company (which represents approximately 65% ownership in the Company on a pro forma fully-diluted basis) in exchange for $25.0 million in cash, contribution to the Company of certain assets of Bridge Media Networks and a commitment by it and its affiliates to commit to spend $12.0 million per year for five years in guaranteed media spend across the Company's print, television and digital properties. Simplify will also purchase 25,000 shares of a newly-created non-convertible Series L Preferred Stock of the Company for $25.0 million in cash (the transactions described in the preceding two sentences are referred to herein as the "Proposed Transaction"). The Series L Preferred Stock will have a 10% per annum payment-in-kind ("PIK") coupon and will mature on the date that is five years from the closing date of the Proposed Transaction. Pursuant to the Letter of Intent, upon consummation of the Proposed Transaction, Simplify will have the right to appoint a majority of the Company's board of directors. The acquired Bridge Media Network assets are expected to include all content creation assets, studios, studio equipment, advertising/media systems and personnel, intercompany agreements, and such other assets of Bridge Media Network (including, without limitation, *Driven* and *TravelHost*) to be identified and agreed upon by Simplify and the Company prior to the closing of the Proposed Transaction.

Consummation of the Proposed Transaction is subject to certain conditions including (i) the negotiation and execution of definitive documentation relating to the Proposed Transaction, (ii) the receipt of a fairness opinion relating to the Proposed Transaction from the Company's financial advisor or other appropriate and reputable third party, (iii) the requisite approval of the Proposed Transaction by the Company's stockholders and (iv) the receipt of any required regulatory approvals.

The Company expects to announce additional details regarding the Proposed Transaction when definitive documentation related thereto is executed.

The foregoing description of the Letter of Intent does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter of Intent, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023.

Stockholder Voting and Support Agreements

Certain stockholders of the Company entered into voting and support agreements (the "Voting Agreements") with the Company concurrently with the execution of the Letter of Intent, pursuant to which each such holder has agreed (i) to vote at any meeting of the stockholders of the Company (a "Company Stockholder Meeting") all of its Company common stock held of record or thereafter acquired (the "Subject Shares") in favor of the Proposed Transaction, (ii) to vote its Subject Shares at any Company Stockholder Meeting against any other proposal, action or agreement for an acquisition of, or change in control transaction involving, the Company and (iii) not to transfer its Subject Shares during the term of the Voting Agreement. Each Voting Agreement shall terminate upon (i) the termination or expiration of the Letter of Intent (or the termination or expiration of the definitive documents contemplated by the Letter of Intent), (ii) the consummation of the Proposed Transaction, (iii) the mutual written consent of the Company and the subject stockholder or (iv) in certain instances, fourteen days following the date the board of directors of the Company changes its recommendation that the stockholders of the Company approve the Proposed Transaction.

The foregoing description of the Voting Agreements is subject to and qualified in its entirety by reference to the full text of the form of Voting Agreement, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023.

Amendment to Third Amended and Restated Note Purchase Agreement

In connection with the Letter of Intent, on August 14, 2023, the Company entered into an amendment (the "Amendment") to the Third Amended and Restated Note Purchase Agreement, dated December 15, 2022 (the "Note Purchase Agreement"), by and among the Company, the subsidiary guarantors party thereto, BRF Finance Co., LLC, as agent and purchaser ("BRF"), and the other purchasers from time to time party thereto (together with BRF, the "Purchasers").

Pursuant to the Amendment, the Company has agreed to issue and the Purchasers have agreed to purchase $5 million aggregate principal amount of senior secured notes (the "2023 Notes"). The issuance of the 2023 Notes is subject to certain conditions precedent, including that the Company amend its financing and security agreement with SLR Digital Finance LLC (f/k/a Fast Pay Partners LLC) to permit the issuance of the 2023 Notes (the date upon which such conditions are satisfied, the "Amendment Effective Date").

The Company will pay interest on the 2023 Notes at a rate of 10% per annum. The 2023 Notes will mature on December 31, 2026. The 2023 Notes will be subject to certain mandatory prepayment requirements, including, but not limited to, a requirement that the Company apply a portion of the net proceeds from the Proposed Transaction described above to repay the 2023 Notes. The Company may elect to prepay the 2023 Notes, at any time and from time to time, at its option at 100% of the principal amount thereof.

The 2023 Notes will be secured by liens on the same collateral that secures indebtedness under the Company's outstanding secured notes (the "Outstanding Notes") under the Note Purchase Agreement, and will be guaranteed by the Company's subsidiaries that guarantee the Outstanding Notes. The 2023 Notes will be governed by the same covenants and events of default contained in the Note Purchase Agreement.

From and after the Amendment Effective Date, the Amendment will also amend the Note Purchase Agreement to, among other things, extend the maturity date of all Outstanding Notes issued pursuant to the Note Purchase Agreement to December 31, 2026 and fix the interest rate for all Outstanding Notes at 10% per annum. In addition, the Company will be required to prepay $20.0 million of the Outstanding Notes with a portion of the proceeds from the Proposed Transaction. Failure by the Company to repay $20.0 million of the Outstanding Notes and the 2023 Notes in full with the proceeds of the Proposed Transaction or failure by the Company to consummate the Proposed Transaction by December 31, 2023 will result in an Event of Default under the Note Purchase Agreement.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023.

Item 2.02 Results of Operations and Financial Condition.

On August 14, 2023, the Company issued a press release announcing its financial results for the quarter ended June 30, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished with this Item 2.02, including Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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

The information required by this Item 2.03 relating to the Amendment is set forth under Item 1.01 of this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On August 14, 2023, the Company issued a press release announcing the execution of the Letter of Intent. A copy of the press release is filed as Exhibit 99.2 to the Current Report on Form 8-K and is incorporated herein by reference.

The information furnished with this Item 7.01, including Exhibit 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Forward-Looking Statements

This communication contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve risks and uncertainties. These forward-looking statements include, but are not limited to, statements regarding the expected execution of definitive documentation relating to the Proposed Transaction and the timing and completion of the Proposed Transaction. You can identify these statements by the use of terminology such as "believe", "expect", "will", "should", "could", "estimate", "anticipate" or similar forward-looking terms. You should not rely on these forward-looking statements as they involve risks and uncertainties that may cause actual results to vary materially from the forward-looking statements. Factors that might contribute to such differences include, among others, the inability of the Company and Simplify to agree on mutually satisfactory terms and conditions to the definitive documentation related to the Proposed Transaction, the possibility that the conditions precedent to the Proposed Transaction may not be satisfied or waived; rejection of the Proposed Transaction by the Company's stockholders; delay in closing the Proposed Transaction or the possibility of non-consummation of the Proposed Transaction, expected revenues, synergies and other benefits of the Proposed Transaction might not be realized within the expected time frames or at all and costs or difficulties relating to integration matters, the requisite regulatory approvals and clearances for the Proposed Transaction may be delayed or may not be obtained, the definitive documentation for the Proposed Transaction may be terminated, business disruptions may occur following or in connection with the Proposed Transaction and diversion of management's attention due to the Proposed Transaction. For more information regarding the risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements, as well as risks relating to the Company's business in general, please refer to the "Risk Factors" section of the Company's Securities and Exchange Commission (the "SEC") filings, including the Company's most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company does not give any assurance that it will achieve its expectations. The Company undertakes no obligation to update any of these forward-looking statements for any reason after the date of this communication or to conform these statements to actual results or revised expectations, except as required by law.

No Offer or Solicitation

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval with respect to the Proposed Transaction or otherwise.

Additional Information and Where to Find It

In connection with the Proposed Transaction, the Company intends to file relevant materials with the SEC, including a preliminary and definitive proxy statement to be filed by the Company. The definitive proxy statement and proxy card will be delivered to the stockholders of the Company in advance of the special meeting relating to the Proposed Transaction. THE COMPANY'S STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY THE COMPANY WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain a free copy of the proxy statement and such other documents containing important information about the Company, once such documents are filed with the SEC, through the website maintained by the SEC at www.sec.gov. The Company makes available free of charge at the Company's website copies of materials it files with, or furnishes to, the SEC. The contents of the websites referenced above are not deemed to be incorporated by reference into the proxy statement.

Participants in the Solicitation

This document does not constitute a solicitation of proxy, an offer to purchase or a solicitation of an offer to sell any securities. The Company and its directors, executive officers and certain employees may be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the Proposed Transaction. Information regarding the special interests of these directors and executive officers in the Proposed Transaction will be included in the definitive proxy statement referred to above. Security holders may obtain information regarding the names, affiliations and interests of the Company's directors and executive officers in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and its definitive proxy statement for the 2023 annual meeting of stockholders. Additional information regarding the interests of such individuals in the Proposed Transaction will be included in the definitive proxy statement relating to the Proposed Transaction when it is filed with the SEC. These documents (when available) may be obtained free of charge from the SEC's website at www.sec.govand the Company's website. The contents of the websites referenced above are not deemed to be incorporated by reference into the proxy statement.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of The Arena Group Holdings, Inc., dated August 14, 2023, announcing its financial results for the quarter ended June 30, 2023.
99.2	Press Release of The Arena Group Holdings, Inc., dated August 14, 2023, announcing the execution of the Letter of Intent.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

Dated: August 14, 2023

THE ARENA GROUP HOLDINGS, INC.

By: */s/ Douglas B. Smith*
Name: Douglas B. Smith
Title: Chief Financial Officer

Exhibit 99.1

The Arena Group Reports Second Quarter 2023 Financial Results;
Announces Strategic Expansion and a Three-Year Extension of its Debt Facility

Company Delivers Top-Line Revenue Growth and Improvements in Profitability and Key Operating Metrics

Announces Strategic Agreement with Bridge Media Networks to Greatly Expand Video, OTT, and CTV Initiatives, plus a Capital Infusion and Advertising Partnership

NEW YORK – August 14, 2023 – The Arena Group Holdings, Inc. (NYSE American: AREN) ("we," "us," "our," the "Company" or "The Arena Group"), a technology platform and media company home to more than 265 brands, including *Sports Illustrated, TheStreet, Parade Media* ("Parade"), *Men's Journal, and HubPages*, today announced financial results for the three and six months ended June 30, 2023 ("Q2 2023"). The Company once again generated year-over-year top- and bottom-line improvements in Q2 2023, growing revenues by 9% while reducing total operating expenses by 2%, leading to a 34% improvement in gross profit, a $2.7 million improvement in net loss, and a $4.1 million improvement in adjusted EBITDA compared to the three months ended June 30, 2022 ("Q2 2022").

Additionally, today after the market close, The Arena Group announced a strategic partnership to dramatically expand its position in the video industry through a transaction with Bridge Media Networks. The Company has signed a binding letter of intent with Bridge Media Networks' parent company, Simplify Inventions, LLC ("Simplify") which, if consummated, is expected to vastly expand its video capabilities in digital streaming, OTT, OTA, CTV, and Free Ad Support Television ("FAST") channels, subject to negotiation of final terms, completion of due diligence, stockholder approval, the receipt of any required regulatory approvals and certain other closing conditions. As part of the proposed transaction, Simplify will invest $50 million in cash in the combined entity, of which $25 million will be in the form of common stock and $25 million will be in the form of non-convertible preferred stock, and will contribute substantial video content, production, and distribution assets and direct a significant advertising spend towards the combined entity. The Company also announced that it has extended its debt facility with B. Riley Financial for three years at a fixed rate of 10%, and will reduce the overall amount of its debt by $20 million from current levels. The Company expects that the proposed strategic transaction will include the following key components:

- The Arena Group will acquire and operate Bridge Media Networks' network business, which includes two 24-hour networks, NEWSnet and Sports News Highlights, which have 35 OTT distribution relationships and are distributed on more than 100 owned and affiliated linear television channels across 46 states through OTA, MVPD, and cable outlets. Additionally, Bridge Media Networks will contribute its automotive and travel brands, *Driven* and *TravelHost*, which will anchor new vertical arenas on The Arena Group's technology platform.

- The combined entity will operate within The Arena Group and is expected to expand its consumer reach, product offering for advertisers, and further diversify its revenue across one of the fastest-growing segments in the media industry: OTT, CTV, and FAST channel programming.

- As part of the transaction, The Arena Group will receive a $50 million cash investment, a five-year guaranteed advertising commitment of approximately $60 million from a group of consumer brands also owned by Simplify, including 5-hour ENERGY®, and the Bridge Media Networks operations. As consideration, Simplify will receive $25 million of preferred stock at a 10% non-cash payment-in-kind ("PIK") coupon with a term of five years from the closing date, and common equity which will represent approximately 65% ownership of the combined company on a fully diluted basis based on $5 per share.

- The transaction is expected to close in the fourth quarter of 2023, subject to the negotiation of definitive agreements, the completion of due diligence, the approval of The Arena Group's shareholders, the receipt of any required regulatory approvals and certain other closing conditions. Additional details regarding the proposed strategic transaction are available in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") and a press release issued today, August 14, 2023.

Second Quarter 2023 Financial and Operational Highlights

- Revenue increased 9% to $58.8 million compared to $53.8 million in the prior year period.
- Digital advertising revenue increased by 19% to $29.3 million from $24.7 million in the prior year period. This was aided by our programmatic CPMs outperforming industry benchmarks by 41%, according to STAQ Benchmarking, a market-norm reporting service provided by Operative.
- Total print revenue increased 9% to $20.4 million compared to $18.7 million in the prior year period.
- Gross margin improved to 37% compared to 30% in the prior year period.
- Operating expenses decreased by $0.8 million or 2%, to $36.0 million from $36.8 million in the prior year period.
- Net loss narrowed by $2.7 million, or 12%, to $19.5 million from $22.2 million in the prior year period.
- Q2 2023 included approximately $14.7 million in non-cash charges, including stock-based compensation, amortization of platform development and intangible assets, and other non-cash charges.
- Adjusted EBITDA* improved significantly from a negative $4.2 million in Q2 2022 to a loss of $76 thousand in Q2 2023.

**Adjusted EBITDA is a non-GAAP measure. For additional information regarding non-GAAP financial measures, see "Use of Non-GAAP Financial Measures" and "Net Loss to Adjusted EBITDA Reconciliation" below.*

Management Commentary

Chairman and Chief Executive Officer of The Arena Group, Ross Levinsohn, said, "This is a watershed moment for The Arena Group. Our agreement with Bridge Media Networks combines our brands with vast video opportunities across all digital and terrestrial platforms. Upon completion of the agreements, we will have fortified our balance sheet, reduced and extended our debt, and secured a significant advertising partnership. We also have added a dynamic and successful investor and entrepreneur to our Company. The innovative business combination with Bridge Media Networks, contemplated in today's announcement, promises the next exciting phase of our evolution. We believe the result, once the proposed transaction is complete, will be a well-capitalized company, poised to grow rapidly with leading digital and video offerings that will resonate with advertisers and consumers."

"The hard work of our incredible employees to transform The Arena Group over the past three years has enabled this moment to expand our Company. Our continued progress in growing our scale and driving efficiency was a key factor in our ability to achieve this milestone transaction," continued Mr. Levinsohn. "While many in our industry have seen their businesses shrinking in the second quarter, we grew revenue 9% year-over-year, overcoming industry-wide challenges in the digital advertising ecosystem."

Mr. Levinsohn continued, "We have continued to diversify our revenue streams, growing eCommerce from a nascent business into a growth engine, and we expect further expansion through the balance of the year. We focused on operational efficiency and reduced our total operating expenses by 2% from the prior year period even as we grew revenue by 9% year-over-year, driving a $6.3 million improvement in our loss from operations. Combined with a significant improvement in our gross margins, we are making steady progress towards achieving sustainable profitability."

Highlights across the Company's verticals include:

- The Sports vertical, anchored by *Sports Illustrated*, saw the expansion of several key properties including *SI Golf* and *FanNation*. The Company launched an F1 Formula Racing site which is now the second largest F1-focused site after just eight months, according to data from Comscore and MRI-Simmons.
- *Sports Illustrated Swimsuit*'s 2023 launch more than doubled traffic as compared to the prior year. The announcement of the four covers – Martha Stewart, Megan Fox, Brooks Nader, and Kim Petras – and subsequent launch events in New York and Florida garnered over 108 billion media impressions and over 13,500 articles written about the release, according to data from Comscore and SimilarWeb. The group also saw record online digital advertising revenue, nearly tripling last year's numbers.
- The Finance vertical, anchored by *TheStreet*, had a record quarter with 38 million monthly average pageviews according to Google Analytics, an increase of 31% as compared to the prior year quarter. *TheStreet* launched partnerships with Tom Lee's FundStrat Global Advisors and Tornado to expand its content base and reach a broader audience.
- The Lifestyle vertical, anchored by *Parade* and *Men's Journal*, saw an expansion of publishing partners covering new content channels such as entertainment, astrology, sneakers, wine, and streaming TV. *Parade* continued to drive year-over-year traffic growth, with a 33% increase in monthly average pageviews as compared to the prior year quarter, according to Google Analytics. Through an exclusive licensing deal, the popular weekly podcast *Club Random with Bill Maher* is now featured by *Men's Journal*.
- The Company announced that it has signed an agreement with acTVe Action Sports, LLC to launch five new FAST channels featuring its *Adventure Network* brands including *Surfer*, *Powder*, and *BikeMag*, with potential to expand to additional brands.

Financial Results for the Three Months Ended June 30, 2023 Compared to the Three Months Ended June 30, 2022

Revenue

Revenue was $58.8 million in Q2 2023, representing an increase of 9% compared to $53.8 million in Q2 2022.

Digital Revenue

Revenue from digital operations grew 10% year-over-year to $38.4 million in Q2 2023, as a $4.6 million, or 19%, year-over-year increase in digital advertising and a $0.9 million, or 218%, year-over-year increase in other digital revenue more than offset a $2.1 million decrease in revenue from digital subscriptions and a slight decrease in licensing and syndication revenue. The strong growth in digital advertising was driven by a 35% increase in revenue per page view, more than offsetting a 12% decrease in monthly average pageviews.

Print Revenue

Total print revenue saw significant growth, as it increased by 9% to $20.4 million in Q2 2023 from $18.7 million in Q2 2022, which reflects growth in the results of Sports Illustrated and improvements in the Athlon Outdoor properties, which were acquired as part of the Parade Media acquisition in April 2022.

Gross Profit

Gross profit for Q2 2023 increased $5.5 million or 34% to $21.7 million, from $16.1 million in the prior year period, This represented an improvement of 7 percentage points in gross margin from 30% to 37%. Contributing to this improvement was a year-over-year decrease in content and editorial expense of $1.4 million or 9% and a $4.6 million or 19% increase in digital advertising revenue, reflecting our continued efforts to manage costs and drive efficiencies.

Operating Expenses

Total operating expenses declined $0.8 million or 2% to $36.0 million in Q2 2023 from $36.8 million in the prior year period. The company continues to maintain expense discipline while optimizing operations and integrating acquired properties.

Net Loss

Net loss was $19.5 million in Q2 2023 as compared to $22.2 million in the prior year period, a $2.7 million of 12% improvement, primarily as a result of a $6.3 million narrowing in loss from operations that was partially offset by a $2.5 million increase in interest expense related to increased debt outstanding. Q2 2023 included non-cash charges of $14.7 million, consistent with the charges in the prior year period.

Adjusted EBITDA

Adjusted EBITDA was a loss of $76 thousand for Q2 2023, a $4.1 million improvement as compared to an Adjusted EBITDA loss of $4.2 million in the prior year period. Adjusted EBITDA is a non-GAAP financial measure. A disclaimer and reconciliation are provided below.

Balance Sheet and Liquidity as of June 30, 2023

Cash and cash equivalents were $5.5 million as of June 30, 2023, compared to $13.9 million as of December 31, 2022.

In the first half of 2023, net cash used in operating activities was $16.4 million, as compared to $7.5 million used in operating activities in the first half of 2022.

Fiscal 2023 Outlook

Management suspended its 2023 full-year guidance, citing the complexity of the proposed strategic transaction with Bridge Media Networks, and expects to be able to issue revised guidance in four to six months, after the integration of the respective businesses.

Conference Call

Ross Levinsohn, The Arena Group's Chief Executive Officer, Doug Smith, Chief Financial Officer, and Andrew Kraft, Chief Operating Officer, will host a conference call and live webcast to review the quarterly results and provide a corporate update at 4:30 p.m. ET today. To access the call, please dial 800-285-6670 (toll free) or 713-481-1320. The conference call will also be webcast live on the Investor Relations section of The Arena Group's website at https://investors.thearenagroup.net/news-and-events/events.

Following the conclusion of the live call, a replay of the webcast will be available on the Investor Relations section of the Company's website for at least 90 days. A telephonic replay of the conference call will also be available from 7 p.m. ET on August 14, 2023 until 11:59 p.m. ET on August 28, 2023 by dialing 877-481-4010 (United States) or 919-882-2331 (international) and using the passcode 48775.

About The Arena Group

The Arena Group (NYSE American: AREN) is an innovative technology platform and media company with a proven cutting-edge playbook that transforms media brands. Our unified technology platform empowers creators and publishers with tools to publish and monetize their content, while also leveraging quality journalism of anchor brands like *Sports Illustrated, TheStreet, Parade, Men's Journal*, and *HubPages* to build their businesses. The company aggregates content across a diverse portfolio of over 265 brands, reaching over 100 million users monthly. Visit us at thearenagroup.net and discover how we are revolutionizing the world of digital media.

About Bridge Media Networks

Bridge Media Networks is a dynamic and innovative media group that offers a wide range of platforms for delivering the latest news, sports, automotive, and travel content. Bridge Media Networks' portfolio includes over-the-air television stations, two national television networks, cutting-edge streaming platforms, and dynamic websites designed to keep viewers informed and entertained. Bridge Media Networks' unwavering commitment is to provide viewers with the most comprehensive and impartial content possible through its flagship brands: NEWSnet, Sports News Highlights, Driven, and TravelHost.

Use of Non-GAAP Financial Measures

We report our financial results in accordance with generally accepted accounting principles in the United States of America ("GAAP"); however, management believes that certain non-GAAP financial measures provide users of our financial information with useful supplemental information that enables a better comparison of our performance across periods. This press release includes references to Adjusted EBITDA, which is a non-GAAP financial measure. We believe Adjusted EBITDA provides visibility to our underlying continuing operating performance by excluding the impact of certain items that are noncash in nature or not related to our core business operations. We calculate Adjusted EBITDA as net loss, as adjusted for loss from discontinued operations, with additional adjustments for (i) interest expense (net), (ii) provision for or benefit from income taxes, (iii) depreciation and amortization, (iv) stock-based compensation, (v) change in fair value of contingent consideration, (vi) liquidated damages, (vii) loss on impairment of assets, (viii) employee retention credit, and (ix) employee restructuring payments.

Our Adjusted EBITDA measure may not be comparable to a similarly titled measure used by other companies, has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Additionally, we do not consider our Adjusted EBITDA as superior to, or a substitute for, the equivalent measures calculated and presented in accordance with GAAP. A reconciliation of Adjusted EBITDA to net loss has been provided in the financial statement tables included in this press release, and investors are encouraged to review the reconciliation.

Forward Looking Statements

This press release includes statements that constitute forward-looking statements. Forward-looking statements may be identified by the use of words such as "forecast," "guidance," "plan," "estimate," "will," "would," "project," "maintain," "intend," "expect," "anticipate," "prospect," "strategy," "future," "likely," "may," "should," "believe," "continue," "opportunity," "potential," and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, and include, for example, statements related to the proposed strategic transaction with Simplify Inventions, including the Company's ability to complete the transaction and the potential benefits thereof, the Company's anticipated restructuring of its indebtedness, the Company's anticipated future expenses and investments, business strategy and plans, expectations relating to its industry, market conditions and market trends and growth, market position and potential market opportunities, and objectives for future operations. These forward-looking statements are based on information available at the time the statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the ability of the Company to expand its verticals; the Company's ability to grow its subscribers; the Company's ability to grow its advertising revenue; general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; the effects of steps that the Company could take to reduce operating costs; the remaining effects of the COVID-19 pandemic and impact on the demand for the Company products; the inability of the Company to sustain profitable sales growth; circumstances or developments that may make the Company unable to implement or realize the anticipated benefits, or that may increase the costs, of its current and planned business initiatives; and those factors detailed by the Company in its public filings with the SEC, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Should one or more of these risks, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

No Offer or Solicitation

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval with respect to the proposed transaction with Bridge Media Networks (the "Proposed Transaction") or otherwise.

Additional Information and Where to Find It

In connection with the Proposed Transaction, the Company intends to file relevant materials with the SEC, including a preliminary and definitive proxy statement to be filed by the Company. The definitive proxy statement and proxy card will be delivered to the stockholders of the Company in advance of the special meeting relating to the Proposed Transaction. THE COMPANY'S STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY THE COMPANY WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain a free copy of the proxy statement and such other documents containing important information about the Company, once such documents are filed with the SEC, through the website maintained by the SEC at www.sec.gov. The Company makes available free of charge at the Company's website copies of materials it files with, or furnishes to, the SEC. The contents of the websites referenced above are not deemed to be incorporated by reference into the proxy statement.

Participants in the Solicitation

This document does not constitute a solicitation of proxy, an offer to purchase or a solicitation of an offer to sell any securities. The Company and its directors, executive officers and certain employees may be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the Proposed Transaction. Information regarding the special interests of these directors and executive officers in the Proposed Transaction will be included in the definitive proxy statement referred to above. Security holders may obtain information regarding the names, affiliations and interests of the Company's directors and executive officers in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and its definitive proxy statement for the 2023 annual meeting of stockholders. Additional information regarding the interests of such individuals in the Proposed Transaction will be included in the definitive proxy statement relating to the Proposed Transaction when it is filed with the SEC. These documents (when available) may be obtained free of charge from the SEC's website at www.sec.gov and the Company's website. The contents of the websites referenced above are not deemed to be incorporated by reference into the proxy statement.

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THE ARENA GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2023	December 31, 2022
	(unaudited)	
	($ in thousands, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 5,489	$ 13,871
Restricted cash	502	502
Accounts receivable, net	31,632	33,950
Subscription acquisition costs, current portion	34,983	25,931
Prepayments and other current assets	11,768	4,441
Total current assets	84,374	78,695
Property and equipment, net	483	735
Operating lease right-of-use assets	279	372
Platform development, net	9,788	10,330
Subscription acquisition costs, net of current portion	12,354	14,133
Acquired and other intangible assets, net	49,454	58,970
Other long-term assets	1,025	1,140
Goodwill	41,329	39,344
Total assets	$ 199,086	$ 203,719
Liabilities, mezzanine equity and stockholders' deficiency		
Current liabilities:		
Accounts payable	$ 13,794	$ 12,863
Accrued expenses and other	23,143	23,102
Line of credit	14,907	14,092
Unearned revenue	66,799	58,703
Subscription refund liability	890	845
Operating lease liability	456	427
Contingent consideration	970	-
Liquidated damages payable	6,142	5,843
Bridge notes	35,844	34,805
Term debt	66,183	65,684
Total current liabilities	229,128	216,364
Unearned revenue, net of current portion	17,080	19,701
Operating lease liability, net of current portion	122	358
Liquidated damages payable, net of current portion	-	494
Other long-term liabilities	4,733	5,307
Deferred tax liabilities	538	465
Total liabilities	251,601	242,689
Commitments and contingencies		
Mezzanine equity:		
Series G redeemable and convertible preferred stock, $0.01 par value, $1,000 per share liquidation value and 1,800 shares designated; aggregate liquidation value: $168; Series G shares issued and outstanding: 168; common shares issuable upon conversion: 8,582 at June 30, 2023 and December 31, 2022	168	168
Series H convertible preferred stock, $0.01 par value, $1,000 per share liquidation value and 23,000 shares designated; aggregate liquidation value: $12,856 and $14,356; Series H shares issued and outstanding: 12,856 and 14,356; common shares issuable upon conversion: 1,774,128 and 1,981,128 at June 30, 2023 and December 31, 2022, respectively	11,508	13,008
Total mezzanine equity	11,676	13,176
Stockholders' deficiency:		
Common stock, $0.01 par value, authorized 1,000,000,000 shares; issued and outstanding: 22,014,927 and 18,303,193 shares at June 30, 2023 and December 31, 2022, respectively	219	182
Common stock to be issued	-	-
Additional paid-in capital	297,522	270,743
Accumulated deficit	(361,932)	(323,071)
Total stockholders' deficiency	(64,191)	(52,146)
Total liabilities, mezzanine equity and stockholders' deficiency	$ 199,086	$ 203,719

THE ARENA GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	($ in thousands, except share data)			
Revenue	$ 58,806	$ 53,752	$ 110,186	$ 101,995
Cost of revenue (includes amortization of platform development and developed technology for three months ended 2023 and 2022 of $2,323 and $2,375, respectively and for the six months ended 2023 and 2022 of $4,692 and $4,686, respectively)	37,142	37,622	67,177	66,119
Gross profit	21,664	16,130	43,009	35,876
Operating expenses				
Selling and marketing	19,503	17,483	37,472	34,699
General and administrative	11,722	14,834	24,775	28,348
Depreciation and amortization	4,735	4,444	9,501	8,646
Loss on impairment of assets	-	-	119	257
Total operating expenses	35,960	36,761	71,867	71,950
Loss from operations	(14,296)	(20,631)	(28,858)	(36,074)
Other (expense) income				
Change in fair value of contingent consideration	90	-	(409)	-
Interest expense	(5,001)	(2,506)	(9,183)	(5,326)
Liquidated damages	(177)	(128)	(304)	(300)
Total other expenses	(5,088)	(2,634)	(9,896)	(5,626)
Loss before income taxes	(19,384)	(23,265)	(38,754)	(41,700)
Income tax (provision) benefit	(100)	1,741	(107)	1,727
Loss from continuing operations	(19,484)	(21,524)	(38,861)	(39,973)
Loss from discontinued operations, net of tax	-	(683)	-	(683)
Net loss	$ (19,484)	$ (22,207)	$ (38,861)	$ (40,656)
Basic and diluted net loss per common share:				
Continuing operations	$ (0.88)	$ (1.18)	$ (1.89)	$ (2.37)
Discontinued operations	-	(0.04)	-	(0.04)
Basic and diluted net loss per common share	$ (0.88)	$ (1.22)	$ (1.89)	$ (2.41)
Weighted average number of common shares outstanding – basic and diluted	22,074,500	18,258,890	20,509,676	16,847,920

THE ARENA GROUP HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30,	
	2023	2022
	($ in thousands)	
Cash flows from operating activities		
Net loss	$ (38,861)	$ (40,656)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property and equipment	197	245
Amortization of platform development and intangible assets	13,996	13,087
Amortization of debt discounts	1,645	934
Noncash and accrued interest	602	69
Loss on impairment of assets	119	257
Change in fair value of contingent consideration	409	-
Liquidated damages	304	300
Stock-based compensation	12,616	16,466
Deferred income taxes	73	(1,782)
Bad debt expense	54	372
Other	-	185
Change in operating assets and liabilities net of effect of business combination:		
Accounts receivable, net	2,213	(83)
Subscription acquisition costs	(7,273)	2,143
Royalty fees	-	7,500
Prepayments and other current assets	(7,327)	264
Other long-term assets	8	13
Accounts payable	742	335
Accrued expenses and other	(800)	(7,131)
Unearned revenue	5,526	945
Subscription refund liability	45	(693)
Operating lease liabilities	(114)	(107)
Other long-term liabilities	(574)	(128)
Net cash used in operating activities	(16,400)	(7,465)
Cash flows from investing activities		
Purchases of property and equipment	-	(379)
Capitalized platform development	(2,132)	(2,784)
Proceeds from sale of equity investment	-	2,450
Payments for acquisition of business, net of cash acquired	(500)	(9,481)
Net cash used in investing activities	(2,632)	(10,194)
Cash flows from financing activities		
Repayments under line of credit, net borrowing	815	(4,180)
Proceeds from common stock registered direct offering	11,500	-
Payments of issuance costs from common stock registered direct offering	(167)	-
Proceeds from common stock public offering, net of offering costs	-	32,058
Payments of issuance costs from common stock public offering	-	(1,568)
Payment of deferred cash payments	(75)	(453)
Payment of taxes from common stock withheld	(1,423)	(556)
Payment of restricted stock liabilities	-	(2,152)
Net cash provided by financing activities	10,650	23,149
Net increase (decrease) in cash, cash equivalents, and restricted cash	(8,382)	5,490
Cash, cash equivalents, and restricted cash – beginning of period	14,373	9,851
Cash, cash equivalents, and restricted cash – end of period	$ 5,991	$ 15,341
Cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 5,489	$ 14,839
Restricted cash	502	502
Total cash, cash equivalents, and restricted cash	$ 5,991	$ 15,341
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 7,140	$ 4,323
Cash paid for income taxes	85	-
Noncash investing and financing activities		
Reclassification of stock-based compensation to platform development	$ 548	$ 1,125
Issuance cost of offerings recorded in accrued expenses and other	189	-
Issuance of common stock in connection with settlement of liquidated damages	499	7,008
Issuance of common stock upon conversion of series H preferred stock	1,500	511
Issuance of common stock in connection with acquisition	2,000	-
Deferred cash payments recorded in connection with acquisitions	246	1,889
Common stock issued in connection with acquisition of Athlon	-	3,141
Assumptions of liabilities in connection with acquisition of Athlon	-	12,642
Reclassification to liability upon common stock modification	68	-

THE ARENA GROUP HOLDINGS, INC. AND SUBSIDIARIES

NET LOSS TO ADJUSTED EBITDA RECONCILIATION
(unaudited)

The following table presents a reconciliation of Adjusted EBITDA to net loss, which is the most directly comparable GAAP measure, for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Net loss	$ (19,484)	$ (22,207)	$ (38,861)	$ (40,656)
Net loss from discontinued operations	-	683	-	683
Net loss from continued operations	(19,484)	(21,524)	(38,861)	(39,973)
Add (deduct):				
Interest expense, net (1)	5,001	2,506	9,183	5,326
Income tax provision (benefit)	100	(1,741)	107	(1,727)
Depreciation and amortization (2)	7,058	6,819	14,193	13,332
Stock-based compensation (3)	6,189	9,099	12,616	16,466
Change in fair value of contingent consideration (4)	(90)	-	409	-
Liquidated damages (5)	177	128	304	300
Loss on impairment of assets (6)	-	-	119	257
Employee retention credit (7)	-	-	(6,868)	-
Employee restructuring payments (8)	973	505	4,262	679
Adjusted EBITDA	$ (76)	$ (4,208)	$ (4,536)	$ (5,340)

(1) Interest expense is related to our capital structure and varies over time due to a variety of financing transactions. Interest expense includes $715 and $274 for amortization of debt discounts for the three months ended June 30, 2023 and 2022, respectively, as presented in our condensed consolidated statements of cash flows, which is a noncash item. Interest expense includes $1,645 and $934 for amortization of debt discounts for the six months ended June 30, 2023 and 2022, respectively. Investors should note that interest expense will recur in future periods.

(2) Depreciation and amortization is related to our developed technology and Platform included within cost of revenues of $2,323 and $2,375, for the three months ended June 30, 2023 and 2022, respectively, and depreciation and amortization included within operating expenses of $4,735 and $4,444 for the three months ended June 30, 2023 and 2022, respectively. Depreciation and amortization is related to our developed technology and Platform included within cost of revenues of $4,692 and $4,686, for the six months ended June 30, 2023 and 2022, respectively, and depreciation and amortization included within operating expenses of $9,501 and $8,646 for the six months ended June 30, 2023 and 2022, respectively. We believe (i) the amount of depreciation and amortization expense in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods as a result of new acquisitions and full amortization of previously acquired tangible and intangible assets. Investors should note that the use of tangible and intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation and should also note that such expense will recur in future periods.

(3) Stock-based compensation represents noncash costs arise from the grant of stock-based awards to employees, consultants and directors. We believe that excluding the effect of stock-based compensation from Adjusted EBITDA assists management and investors in making period-to-period comparisons in our operating performance because (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations, and (ii) such expenses can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Additionally, we believe that excluding stock-based compensation from Adjusted EBITDA assists management and investors in making meaningful comparisons between our operating performance and the operating performance of other companies that may use different forms of employee compensation or different valuation methodologies for their stock-based compensation. Investors should note that stock-based compensation is a key incentive offered to employees whose efforts contributed to the operating results in the periods presented and are expected to contribute to operating results in future periods. Investors should also note that such expenses will recur in the future.

(4) Change in fair value of contingent consideration represents the change in the put option on our common stock in connection with the Fexy Studios acquisition.

(5) Liquidated damages (or interest expense related to accrued liquidated damages) represents amounts we owe to certain of our investors in private placements offerings conducted in fiscal years 2018 through 2020, pursuant to which we agreed to certain covenants in the respective securities purchase agreements and registration rights agreements, including the filing of resale registration statements and becoming current in our reporting obligations, which we were not able to timely meet.

(6) Loss on impairment of assets represents certain assets that are no longer useful.

(7) Employee retention credit represents payroll related tax credits under the Cares Act.

(8) Employee restructuring payments represents severance payments to employees under employer restructuring arrangements and payments to our former Chief Executive Officer for the three and six months ended June 30, 2023 and 2022, respectively.

The Arena Group Signs Binding LOI to Combine with Bridge Media Networks, Creating Diversified Media Leader

Combination To Expand Video Capabilities Across OTT, CTV, FAST Channels, and OTA As Well As Significant Advertising and Capital Commitments

Company will Extend and Amend Long-Term Debt, Strengthening Balance Sheet

Simplify Inventions to Invest $50 Million in Cash, Contribute its Bridge Media Network Business and Certain Other Assets and Commit to a Guaranteed Advertising Commitment of $60 Million

Investment Consists of Purchase of 5 Million Shares at $5, $25 Million of Preferred Stock and the Contributions of Assets and Advertising Commitment That Will Result in 65% Ownership of Arena

NEW YORK – August 14, 2023 – The Arena Group Holdings, Inc. (NYSE American: AREN) (“we,” “us,” “our,” the “Company” or “The Arena Group”), a technology platform and media company home to more than 265 brands, including *Sports Illustrated, TheStreet, Parade Media* (“Parade”), *Men’s Journal, and HubPages*, today announced that it has signed a binding letter of intent with Simplify Inventions, LLC (“Simplify”) and its founder, Manoj Bhargava, founder of 5-hour ENERGY®, to acquire certain assets of its subsidiary Bridge Media Networks, a dynamic and innovative, privately held media group with two national television networks distributed across more than 100 owned and affiliated Over-The-Air (“OTA”) stations, 35 OTT, CTV agreements, and multiple MVPD and cable agreements, creating a well-capitalized, growing media leader with digital, commerce, print and video capabilities all supported by a unified technology platform.

Highlights of the proposed combination include:

- The existing assets of The Arena Group will be combined with the video programming, distribution, and production assets of Bridge Media Networks, including its two 24-hour networks, NEWSnet and Sports News Highlights, as well as the automotive and travel properties *Driven* and *TravelHost*, further expanding The Arena Group’s vertical business ecosystems.
- As part of the transaction, The Arena Group will receive a $50 million cash investment, a five-year guaranteed advertising commitment of approximately $60 million from a group of consumer brands also owned by Simplify, including 5-hour ENERGY®, and the Bridge Media Networks operations. As consideration, Simplify will receive $25 million of preferred stock at a 10% non-cash payment-in-kind (“PIK”) coupon with a term of five years from the closing date, and common equity which will represent approximately 65% ownership of the combined company on a fully diluted basis based on $5 per share.
- The Arena Group intends to use a portion of this cash to reduce its debt by $20 million from current levels.
- B. Riley Financial has agreed to extend the maturity of the remaining debt held by it from December 31, 2023 to December 31, 2026 at a fixed rate of 10%.

The addition of Bridge Media Networks’ assets is expected to be accretive to The Arena Group’s earnings in 2024 and beyond. The proposed transaction is subject to finalization of a definitive agreement, the completion of due diligence, approval by The Arena Group’s shareholders, the receipt of any required regulatory approvals, and certain other closing conditions. Closing is expected in the fourth quarter of 2023.

“This strategic combination dramatically accelerates our planned expansion across the video ecosystem. Our immediate opportunity to create, distribute and monetize premium video content across all linear, digital and connected ecosystems provides a lucrative opportunity for The Arena Group. The production capabilities and opportunities with advertisers will further diversify our offerings,” commented Ross Levinsohn, Chairman and Chief Executive Officer of The Arena Group. “By combining with two established networks with significant linear and digital distribution, The Arena Group will have a significant presence in OTT, CTV, and Free Ad Support Television (“FAST”) channels, some of the fastest-growing segments of the video market. The production resources of Bridge Media Networks will provide a dramatic boost to our video capabilities which we believe will unlock significant revenue opportunities for the combined company. The result will be a more diverse and distributed organization with additional ways to reach consumers and support advertising clients across video platforms.”

“Simultaneously, this proposed transaction will extend the maturity of our debt by three years at a very favorable rate, providing us optionality and a more stable foundation from which to operate,” added Levinsohn. “Combined, we expect to have a diversified, multi-platform, well-capitalized organization, with greater scale, expanded margins, and an accelerated path to profitability.”

“This combination of broadcast, digital and brands will be ‘one plus one is eleven’ – not two or even three. And we’re just getting started,” commented Manoj Bhargava, the founder and CEO of Innovations Ventures LLC (dba Living Essentials LLC), the company known for producing the 5-hour ENERGY® drink. Simplify Inventions LLC, IV Media LLC and Bridge Media Networks LLC are all founded and led by Bhargava. He is a global philanthropist and is dedicating most of his wealth to help the poorest third of the world. He also owns or is a major investor in other companies, including HANS Premium Water, Diagnostic Green, Stage2 Innovations, and Bleecker Street Entertainment.

Bryant Riley, Chairman and Chief Executive Officer of B. Riley Financial, currently the largest equity and debt holder of The Arena Group, added, "We believe this is a transformational transaction for The Arena Group, combining an experienced management team with a history of making accretive acquisitions with a well-financed partner who shares the vision that the media space is ripe for investment and opportunity."

In 2022, The Arena Group doubled its verticals through organic and inorganic growth, including acquiring *Parade*, *Men's Journal*, Fexy Studios, and the *Adventure Network*, and grew annual revenue growth from $53.3 million in 2019 to $220.9 million in 2022. Despite a challenging advertising market, The Arena Group delivered improved second quarter financial results across key operating metrics, including top-line revenue growth.

Proposed Transaction Timeline

- The transaction is expected to close in the fourth quarter of 2023, subject to negotiation of definitive agreements, the completion of due diligence, the approval of The Arena Group's shareholders, the receipt of any required regulatory approvals, and certain other closing conditions.
- The Company anticipates that integration of the respective businesses will be completed in early 2024.
- Additional details regarding the transaction are available in the Form 8-K filed with the Securities and Exchange Commission ("the SEC") today, August 14, 2023.

Conference Call

Ross Levinsohn, The Arena Group's Chief Executive Officer, Doug Smith, Chief Financial Officer, and Andrew Kraft, Chief Operating Officer, will host a conference call and live webcast to review the Company's second quarter financial results and discuss select details of this proposed transaction. The call will take place at 4:30 p.m. ET today. To access the call, please dial 800-285-6670 (toll free) or 713-481-1320. The conference call will also be webcast live on the Investor Relations section of The Arena Group's website at https://investors.thearenagroup.net/news-and-events/events.

Following the conclusion of the live call, a replay of the webcast will be available on the Investor Relations section of the Company's website for at least 90 days. A telephonic replay of the conference call will also be available from 7 p.m. ET on August 14, 2023 until 11:59 p.m. ET on August 28, 2023 by dialing 877-481-4010 (United States) or 919-882-2331 (international) and using the passcode 48775.

About The Arena Group

The Arena Group (NYSE American: AREN) is an innovative technology platform and media company with a proven cutting-edge playbook that transforms media brands. Our unified technology platform empowers creators and publishers with tools to publish and monetize their content, while also leveraging quality journalism of anchor brands like *Sports Illustrated, TheStreet, Parade, Men's Journal,* and *HubPages* to build their businesses. The company aggregates content across a diverse portfolio of over 265 brands, reaching over 100 million users monthly. Visit us at thearenagroup.net and discover how we are revolutionizing the world of digital media.

About Bridge Media Networks

Bridge Media Networks is a dynamic and innovative media group that offers a wide range of platforms for delivering the latest news, sports, automotive, and travel content. Bridge Media Networks' portfolio includes over-the-air television stations, two national television networks, cutting-edge streaming platforms, and dynamic websites designed to keep viewers informed and entertained. Bridge Media Networks' unwavering commitment is to provide viewers with the most comprehensive and impartial content possible through its flagship brands: NEWSnet, Sports News Highlights, *Driven*, and *TravelHost*.

Forward Looking Statements

In addition to historical information, this communication contains forward-looking statements within the meaning of applicable securities law, including statements regarding the expected timing, completion and effects of the proposed transaction with Bridge Media Networks (the "Proposed Transaction"). These forward-looking statements include, but are not limited to, statements regarding the expected execution of definitive documentation relating to the Proposed Transaction and the timing and completion of the Proposed Transaction. You can identify these statements by the use of terminology such as "believe", "expect", "will", "should", "could", "estimate", "anticipate" or similar forward-looking terms. You should not rely on these forward-looking statements as they involve risks and uncertainties that may cause actual results to vary materially from the forward-looking statements. Factors that might contribute to such differences include, among others, the inability of the Company and Simplify to agree on mutually satisfactory terms and conditions to the definitive documentation related to the Proposed Transaction, the possibility that the conditions precedent to the Proposed Transaction may not be satisfied or waived; rejection of the Proposed Transaction by the Company's stockholders; delay in closing the Proposed Transaction or the possibility of non-consummation of the Proposed Transaction, expected revenues, synergies and other benefits of the Proposed Transaction might not be realized within the expected time frames or at all and costs or difficulties relating to integration matters, the requisite regulatory approvals and clearances for the Proposed Transaction may be delayed or may not be obtained, the definitive documentation for the Proposed Transaction may be terminated, business disruptions may occur following or in connection with the Proposed Transaction and diversion of management's attention due to the Proposed Transaction. For more information regarding the risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements, as well as risks relating to the Company's business in general, please refer to the "Risk Factors" section of the Company's SEC filings, including the Company's most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company does not give any assurance that it will achieve its expectations. The Company undertakes no obligation to update any of these forward-looking statements for any reason after the date of this communication or to conform these statements to actual results or revised expectations, except as required by law.

No Offer or Solicitation

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval with respect to the Proposed Transaction or otherwise.

Additional Information and Where to Find It

In connection with the Proposed Transaction, the Company intends to file relevant materials with the SEC, including a preliminary and definitive proxy statement to be filed by the Company. The definitive proxy statement and proxy card will be delivered to the stockholders of the Company in advance of the special meeting relating to the Proposed Transaction. THE COMPANY'S STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED BY THE COMPANY WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE THEREIN BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES TO THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain a free copy of the proxy statement and such other documents containing important information about the Company, once such documents are filed with the SEC, through the website maintained by the SEC at www.sec.gov. The Company makes available free of charge at the Company's website copies of materials it files with, or furnishes to, the SEC. The contents of the websites referenced above are not deemed to be incorporated by reference into the proxy statement.

Participants in the Solicitation

This document does not constitute a solicitation of proxy, an offer to purchase or a solicitation of an offer to sell any securities. The Company and its directors, executive officers and certain employees may be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the Proposed Transaction. Information regarding the special interests of these directors and executive officers in the Proposed Transaction will be included in the definitive proxy statement referred to above. Security holders may obtain information regarding the names, affiliations and interests of the Company's directors and executive officers in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and its definitive proxy statement for the 2023 annual meeting of stockholders. Additional information regarding the interests of such individuals in the Proposed Transaction will be included in the definitive proxy statement relating to the Proposed Transaction when it is filed with the SEC. These documents (when available) may be obtained free of charge from the SEC's website at www.sec.gov and the Company's website. The contents of the websites referenced above are not deemed to be incorporated by reference into the proxy statement.

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