

**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): May 1, 2017

GAIA, INC.

(Exact Name of Registrant as Specified in its Charter)

Colorado
(State or Other Jurisdiction
of Incorporation)

000-27517
(Commission File
Number)

84-1113527
(IRS Employer
Identification No.)

833 West Boulder Road, Louisville, CO 80027-2452
(Address of Principal Executive Offices; Zip Code)

Registrant's telephone number, including area code: **(303) 222-3600**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (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 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.

Section 2 - Financial Information

Item 2.02 Results of Operations and Financial Condition

On May 1, 2017, Gaia, Inc. issued a press release announcing results for its quarter ended March 31, 2017. A copy of the press release is attached as Exhibit 99.1.

This Current Report on Form 8-K and the earnings press release attached hereto are being furnished by Gaia pursuant to Item 2.02 "Results of Operations and Financial Condition." In accordance with General Instruction B.2 of Form 8-K, the information contained in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. In addition, this information shall not be deemed incorporated by reference into any of the Registrant's filings with the Securities and Exchange Commission, except as shall be expressly set forth by specific reference in any such filing.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release issued by Gaia on May 1, 2017

SIGNATURES

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

GAIA, INC.

By: /s/ Paul Tarell

Name: Paul Tarell

Title: Chief Financial Officer

Date: May 1, 2017



Gaia Reports First Quarter 2017 Results

58% Increase in Paying Subscribers Drives 51% Increase in Net Revenues

BOULDER, CO, May 1, 2017 — Gaia, Inc. (NASDAQ: GAIA), a conscious media video subscription service, reported financial results for the first quarter ended March 31, 2017.

First Quarter 2017 vs. Same Year-Ago Quarter

- Net revenue up 51% to \$5.8 million
- 58% subscriber growth generated 61% increase in streaming revenues to \$5.2 million
- Gross margin up 440 basis points to 85.8%

“Our subscriber growth has continued to build momentum in the first quarter of 2017, coming off already accelerated growth in the second half of 2016,” said Jirka Rysavy, Gaia’s CEO. “The 58% subscriber growth from last year exceeded our guidance, while our cost of acquiring these customers continues to track better than our plan.”

Gaia’s paying subscriber count increased to 247,300 on March 31, 2017, up from 202,000 on December 31, 2016 and 157,000 on March 31, 2016. International reach expanded to over 150 countries, the library title count increased to 7,900, and a Gaia-branded premium subscription channel launched across all Comcast’s Xfinity platforms during the first quarter.

First Quarter 2017 Financial Results

Total net revenues in the first quarter increased 51% to \$5.8 million from \$3.8 million in the same year-ago quarter. This was due to 61% growth in streaming revenue, which was driven by the 58% increase in paying subscribers from March 31, 2016.

Gross profit in the first quarter increased 59% to \$5.0 million compared to \$3.1 million in the year-ago quarter. Gross margin increased 440 basis points to 85.8% from 81.4% in the first quarter of 2016 due to increased revenues and the related leverage on streaming costs and Gaia’s media library.

Total operating expenses in the first quarter were \$11.8 million, slightly better than our expectation, compared to \$7.2 million in the year-ago quarter. The increase was due to the planned increase in selling and operating expenses associated with the announced acceleration of subscriber growth throughout 2017.

Net loss in the first quarter was \$6.2 million or \$(0.41) per share, compared to a loss of \$7.6 million or \$(0.31) per share in the year-ago quarter. The 2016 per share amount reflects Gaia’s repurchase of approximately 40% of its outstanding shares in July 2016.

During the first quarter, Gaia paid approximately \$2 million of accrued payables remaining from the sale of the Gaiam consumer product business and on March 31, 2017, had \$45.4 million in cash, no debt and unencumbered ownership of its 12-acre, 150,000 square foot campus near Boulder, Colorado.

Conference Call

Gaia is hosting a conference call today, May 1, 2017, beginning at 4:30 p.m. ET (2:30 p.m. MT). The conference call dial-in numbers are (888) 329-8889 (or (719) 325-2370 for international callers), passcode 6917183. Questions will be reserved for analysts and investors. If you have any difficulty connecting with the conference call, please contact Liolios at (949) 574-3860. Following the completion of today's conference call, a replay will be available until May 15, 2017 by dialing (844) 512-2921 (or (412) 317-6671 for international callers), passcode 6917183.

About Gaia

Gaia is a global video streaming service and online community that provides curated conscious media in three primary channels: Seeking Truth, Transformation and Yoga, to its subscribers in over 150 countries. Over 90% of its 7,900 titles are available for streaming exclusively on Gaia through most devices connected to the Internet and approximately 80% of the views are generated by content produced or owned by Gaia. For more information about Gaia, visit www.gaia.com.

Forward-Looking Statements

This press release includes forward-looking statements relating to matters that are not historical facts. Forward-looking statements may be identified by the use of words such as "expect," "believe," "will," or comparable terminology or by discussions of strategy. While Gaia believes its assumptions and expectations underlying forward-looking statements are reasonable, there can be no assurance that actual results will not be materially different. Risks and uncertainties that could cause materially different results include, among others, history of operating losses, general economic conditions, competition, changing consumer preferences, acquisitions, new initiatives undertaken by us, and other risks and uncertainties included in Gaia's filings with the Securities and Exchange Commission. Gaia assumes no duty to update any forward-looking statements.

GAIA, INC.

Condensed consolidated balance sheets

(in thousands, except share and per share data)	March 31, 2017	December 31, 2016
	(unaudited)	
ASSETS		
Current assets:		
Cash	\$ 45,380	\$ 54,027
Accounts receivable	765	554
Prepaid expenses and other current assets	1,157	1,303
Total current assets	47,302	55,884
Building and land, net	16,736	16,896
Media library, software and equipment, net	14,436	12,861
Goodwill	10,609	10,609
Investments and other assets	10,969	10,946
Total assets	\$ 100,052	\$ 107,196
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,215	\$ 6,672
Deferred revenue	3,059	2,434
Total current liabilities	8,274	9,106
Deferred taxes	—	553
Contingencies		
Equity	91,778	97,537
Total liabilities and equity	\$ 100,052	\$ 107,196

GAIA, INC.

Condensed consolidated statements of operations

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2017	2016
	(unaudited)	
Net revenues		
Streaming	\$ 5,209	\$ 3,229
DVD subscription and other	575	601
Total net revenues	5,784	3,830
Cost of revenues		
Streaming	743	649
DVD subscription and other	77	64
Total cost of revenues	820	713
Gross profit	4,964	3,117
Expenses:		
Selling and operating	10,465	5,726
Corporate, general and administration	1,352	1,478
Total operating expenses	11,817	7,204
Loss from operations	(6,853)	(4,087)
Interest and other (expense) income, net	44	(36)
Loss before income taxes	(6,809)	(4,123)
Income tax expense (benefit)	(629)	3
Loss from continuing operations	(6,180)	(4,126)
Loss from discontinued operations, net of tax	-	(3,498)
Net loss	\$ (6,180)	\$ (7,624)
Loss per share—basic and diluted:		
Continuing operations	\$ (0.41)	\$ (0.17)
Discontinued operations	—	(0.14)
Basic and diluted net loss per share	\$ (0.41)	\$ (0.31)
Weighted-average shares outstanding:		
Basic and diluted	15,153	24,531

Contacts

Paul Tarell
Gaia, Inc.
(303) 222-3330
Paul.Tarell@gaia.com

Cody Slach
Liolios Investor Relations
(949) 574-3860
GAIA@liolios.com