

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 March 31, 2019

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 000-27517

Gaia
GAIA, INC.

(Exact name of registrant as specified in its charter)

COLORADO
(State or other jurisdiction of
incorporation or organization)

84-1113527
(I.R.S. Employer
Identification No.)

833 WEST SOUTH BOULDER ROAD,
LOUISVILLE, COLORADO 80027
(Address of principal executive offices)

(303) 222-3600
(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 preceding 12 months (or for such shorter period that the registrant was required to file such reports) 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, every Interactive Data File required to be submitted 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 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

<u>Class</u>	<u>Outstanding at April 26, 2019</u>
Class A Common Stock (\$.0001 par value)	12,500,139
Class B Common Stock (\$.0001 par value)	5,400,000

GAIA, INC.
FORM 10-Q
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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Unaudited Interim Condensed Consolidated Financial Statements

We have prepared our unaudited interim condensed consolidated financial statements included herein pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to these rules and regulations, although we believe that the disclosures made are adequate to make the information not misleading. In our opinion, the unaudited interim condensed consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly, in all material respects, our consolidated financial position as of March 31, 2019, the interim results of operations for the three months ended March 31, 2019 and 2018, changes in equity for the three months ended March 31, 2019 and 2018 and cash flows for the three months ended March 31, 2019 and 2018. Operating results for the three-month period ended March 31, 2019 are not necessarily indicative of the results that may be expected for a full year or any future interim period. These interim statements have not been audited. The balance sheet as of December 31, 2018, was derived from our audited consolidated financial statements included in our annual report on Form 10-K. The interim condensed consolidated financial statements contained herein should be read in conjunction with our audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2018.

GAIA, INC.

Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)	March 31, 2019 (unaudited)	December 31, 2018
ASSETS		
Current assets:		
Cash	\$ 22,299	\$ 29,964
Accounts receivable	1,905	1,334
Prepaid expenses and other current assets	2,534	3,192
Total current assets	26,738	34,490
Building and land, net	22,245	21,688
Media library, software and equipment, net	29,436	27,623
Goodwill	10,609	10,609
Investments and other assets	12,741	12,741
Total assets	<u>\$ 101,769</u>	<u>\$ 107,151</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable, accrued and other liabilities	\$ 7,797	\$ 7,993
Deferred revenue	5,975	5,029
Total current liabilities	13,772	13,022
Line of credit	12,500	12,500
Deferred taxes	164	164
Total liabilities	26,436	25,686
Equity	75,333	81,465
Total liabilities and equity	<u>\$ 101,769</u>	<u>\$ 107,151</u>

See accompanying notes to the interim condensed consolidated financial statements.

GAIA, INC.

Condensed Consolidated Statements of Operations

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2019	2018
	(unaudited)	
Revenues, net	\$ 12,467	\$ 9,138
Cost of revenues	1,600	1,181
Gross profit	10,867	7,957
Expenses:		
Selling and operating	15,722	14,517
Corporate, general and administration	1,593	1,411
Total operating expenses	17,315	15,928
Loss from operations	(6,448)	(7,971)
Interest and other income, net	37	17
Loss before income taxes	(6,411)	(7,954)
Income tax benefit	—	(1,826)
Loss from continuing operations	\$ (6,411)	\$ (6,128)
Income (loss) from discontinued operations	(315)	93
Net loss	\$ (6,726)	\$ (6,035)
Income (loss) per share - basic and diluted:		
Continuing operations	(0.36)	(0.40)
Discontinued operations	(0.02)	0.01
Basic and diluted net loss per share	\$ (0.38)	\$ (0.39)
Weighted-average shares outstanding:		
Basic and diluted	17,890	15,364

See accompanying notes to the interim condensed consolidated financial statements.

GAIA, INC.

Condensed Consolidated Statements of Changes in Equity

(in thousands, except shares)	Gaia, Inc. Shareholders				
	Total Equity	(unaudited) Accumulated Deficit	Common Stock Amount	Additional Paid-in Capital	Common Stock Shares
Balance at January 1, 2018	\$ 76,152	\$ (24,410)	\$ 2	\$ 100,560	15,169,961
Offering of Class A common stock	37,128	—	—	37,128	2,683,333
Issuance of Gaia, Inc. common stock for stock option exercises and share-based compensation, net of tax	493	—	—	493	30,252
Net loss	(6,035)	(6,035)	—	—	—
Balance at March 31, 2018	<u>\$ 107,738</u>	<u>\$ (30,445)</u>	<u>\$ 2</u>	<u>\$ 138,181</u>	<u>17,883,546</u>
Balance at January 1, 2019	\$ 81,465	\$ (58,203)	\$ 2	\$ 139,666	17,890,139
Issuance of Gaia, Inc. common stock for stock option exercises and share-based compensation, net of tax	594	—	—	594	—
Net loss	(6,726)	(6,726)	—	—	—
Balance at March 31, 2019	<u>\$ 75,333</u>	<u>\$ (64,929)</u>	<u>\$ 2</u>	<u>\$ 140,260</u>	<u>17,890,139</u>

See accompanying notes to the interim condensed consolidated financial statements.

GAIA, INC.

Condensed Consolidated Statements of Cash Flows

(in thousands)	For the Three Months Ended March 31,	
	2019	2018
	(unaudited)	
Operating activities:		
Net loss	\$ (6,726)	\$ (6,035)
(Income) loss from discontinued operations	315	(93)
Net loss from continuing operations	(6,411)	(6,128)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities:		
Depreciation and amortization	2,220	1,550
Share-based compensation expense	594	254
Changes in operating assets and liabilities:		
Accounts receivable, net	(571)	(250)
Prepaid expenses and other assets	658	(981)
Accounts payable and accrued liabilities	(196)	1,481
Deferred revenue	946	1,091
Net cash used in operating activities – continuing operations	(2,760)	(2,983)
Net cash provided by operating activities – discontinued operations	19	93
Net cash used in operating activities	(2,741)	(2,890)
Investing activities:		
Additions to media library, property and equipment	(4,924)	(4,058)
Net cash used in investing activities	(4,924)	(4,058)
Financing activities:		
Drawdowns on line of credit	12,500	—
Repayments on line of credit	(12,500)	(12,500)
Proceeds from issuance of common stock, net	—	37,341
Net cash provided by financing activities	—	24,841
Net increase (decrease) in cash	(7,665)	17,893
Cash at beginning of period	29,964	32,778
Cash at end of period	\$ 22,299	\$ 50,671

See accompanying notes to the interim condensed consolidated financial statements.

Notes to interim condensed consolidated financial statements

References in this report to “we”, “us”, “our” or “Gaia” refer to Gaia, Inc. and its consolidated subsidiaries, unless we indicate otherwise.

1. Organization, Nature of Operations, and Principles of Consolidation

Gaia, Inc., was incorporated under the laws of the State of Colorado in 1988 and operates a global digital video subscription service and on-line community that caters to a unique and underserved subscriber base. Our digital content library includes approximately 8,000 English language titles as well as a growing selection of titles available in French, German, and Spanish. Our subscribers have unlimited access to a vast library of inspiring films, cutting-edge documentaries, interviews, yoga classes, transformation-related content, and more – 85% of which is exclusively available to our subscribers for digital streaming on most internet-connected devices anytime, anywhere, commercial free.

Our mission is to create a transformational network that empowers a global conscious community. Content on our network is currently curated into four channels, Yoga, Transformation, Alternative Healing, and Seeking Truth, and delivered directly to our subscribers through our streaming platform. We curate programming for these channels by producing content in our in-house production studios with a staff of media professionals. This produced and owned content currently represents over 80% of our viewership. We complement our produced and owned content through long-term, predominately exclusive, licensing agreements.

We have prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”) and they include our accounts and those of our subsidiaries. Intercompany transactions and balances have been eliminated. The unaudited condensed consolidated financial position, results of operations and cash flows for the interim periods disclosed in this report are not necessarily indicative of future financial results.

There have been no material changes in our significant accounting policies, other than the adoption of accounting pronouncements below, as compared to the significant accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2018.

Use of Estimates and Reclassifications

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and disclosures. Although we base these estimates on our best knowledge of current events and actions that we may undertake in the future, actual results may be different from the estimates. We have made certain reclassifications to prior period amounts to conform to the current period presentations.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases must be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The new standard did not have a material impact on our reported financial position or results of operations in the three months ended March 31, 2019.

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and we do not believe any of these pronouncements will have a material impact on us.

Discontinued Operations

In the first quarter of 2019, we reclassified our legacy DVD subscription club as a discontinued operation and have presented the related operations in discontinued operations on the accompanying statement of operations. There were no assets or liabilities associated with this club in the condensed consolidated balance sheets.

2. Revenue Recognition

Revenues consist primarily of subscription fees paid by our customers. We present revenues net of taxes collected from customers. Subscribers are billed in advance and revenues are recognized ratably over the subscription term. Deferred revenues consist of subscription fees collected from customers that have not been earned and are recognized ratably over the remaining term of the subscription. We recognize revenue on a net basis for relationships where our partners have the primary relationship, including billing and service delivery, with the subscriber. Payments made to partners to assist in promoting our service on their platforms are expensed as marketing expenses in the period incurred. We do not allow access to our service to be provided as part of a bundle by any of our partners.

3. Equity and Share-Based Compensation

During the first three months of 2019 and 2018, we recognized \$594,000 and \$254,000, respectively, of associated stock compensation expense. Total share-based compensation expense is reported in selling and operating expenses and corporate, general and administration expenses on our condensed consolidated statements of operations.

4. Net Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including stock options and restricted stock units, to the extent dilutive. Basic and diluted net loss per share were the same for the three months ended March 31, 2019 and 2018, as the inclusion of all potential common shares outstanding would have been anti-dilutive.

5. Income Taxes

Our provision for income taxes is comprised of the following:

(in thousands)	For the Three Months Ended March 31,	
	2019	2018
Current:		
Federal	\$ —	\$ —
State	—	—
Total current	—	—
Deferred:		
Federal	—	(1,818)
State	—	(8)
Total deferred	—	(1,826)
Total income tax benefit	\$ —	\$ (1,826)

The income tax benefit recorded during 2018 is a result of our historical alternative minimum tax payments becoming fully refundable in 2018. Periodically, we perform assessments of the realization of our net deferred tax assets considering all available evidence, both positive and negative. Based on our historical operating losses, combined with our plans to continue to invest in our revenue growth and generate losses for the next few years, we have a full valuation allowance on our deferred tax assets. As of March 31, 2019, our gross net operating loss carryforwards were \$82.8 million and \$23.3 million for federal and state, respectively.

6. Contingencies

From time to time, we are involved in legal proceedings that we consider to be in the normal course of business. We record accruals for losses related to those matters against us that we consider to be probable and that can be reasonably estimated. Based on available information, in the opinion of management, settlements, arbitration awards and final judgments, if any, that are considered probable of being rendered against us in litigation or arbitration in existence at March 31, 2019, and that can be reasonably estimated are either reserved against or would not have a material adverse effect on our financial condition, results of operations or cash flows.

7. Subsequent Events

On April 26, 2019, we repaid and replaced the line of credit of our wholly owned subsidiary Boulder Road LLC with a \$17.0 million term loan agreement with BDS III Mortgage Capital B LLC, as lender. The term loan bears interest at a fixed spread over LIBOR, matures on May 1, 2022, and is secured by, our corporate campus and is guaranteed by Gaia. Boulder Road's financial statements are included within our consolidated financial statements; however, Boulder Road's assets and credit are only available to pay its own debts and obligations and are not available to satisfy the debts or obligations of any other entity.

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

Forward-Looking Statements

This report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, we intend the words "anticipate," "believe," "plan," "estimate," "expect," "strive," "future," "intend", "will" and similar expressions as they relate to us to identify such forward-looking statements. Our actual results could differ materially from the results anticipated in these forward-looking statements as a result of certain factors referenced under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Form 10-Q. Risks and uncertainties that could cause actual results to differ include, without limitation, general economic conditions, ongoing losses, competition, loss of key personnel, pricing, brand reputation, acquisitions, new initiatives we undertake, security and information systems, legal liability for website content, failure of third parties to provide adequate service, future internet-related taxes, our founder's control of us, litigation, fluctuations in quarterly operating results, consumer trends, the effect of government regulation and programs and other risks and uncertainties included in our filings with the Securities and Exchange Commission. We caution you that no forward-looking statement is a guarantee of future performance, and you should not place undue reliance on these forward-looking statements which reflect our views only as of the date of this report. We undertake no obligation to update any forward-looking information.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the condensed consolidated financial statements and related notes referenced elsewhere in this document. This section is designed to provide information that will assist in understanding our condensed consolidated financial statements, changes in certain items in those statements from period to period, the primary factors that caused those changes and how certain accounting principles, policies and estimates affect the condensed consolidated financial statements.

Overview and Outlook

We operate a global digital video subscription service with a library of approximately 8,000 English-language titles as well as a growing selection of titles available in French, German, and Spanish, that caters to a unique, underserved subscriber base. Our digital content is available to our subscribers on most internet-connected devices anytime, anywhere, commercial-free. Through our online Gaia subscription service, our subscribers have unlimited access to a library of inspiring films, cutting-edge documentaries, interviews, yoga classes, transformation related content, and more, all available to our subscribers for digital streaming on most internet-connected devices. A subscription also allows our subscribers to download files from our library and view them later without being actively connected to the internet.

Consumption of streaming video is expanding rapidly as more and more people augment their use of, or replace broadcast television and turn to, streaming video to watch their favorite content on services like Netflix, Amazon Prime, Hulu Plus, HBO Now and Gaia.

Gaia's position in the streaming video landscape is firmly supported by its wide variety of exclusive and unique content, which provides a complementary offering to other entertainment-based streaming video services. Our original content is developed and produced in-house in our production studios near Boulder, Colorado. Over 85% of our content is available for streaming exclusively on Gaia. By offering exclusive and unique content through our streaming service, we believe we will be able to significantly expand our target subscriber base.

Our available content is currently focused on yoga, transformation, alternative healing, seeking truth and conscious films. This content is specifically targeted to a unique customer base that is interested in alternatives and supplements to the content provided by mainstream media. We have grown these content options both organically through our own productions and through strategic acquisitions. In addition, through our investments in our streaming video technology and our user interface, we have expanded the many ways our subscription customer base can access our unique library of media titles.

Our core strategy is to grow our subscription business domestically and internationally by expanding our unique and exclusive content library, enhancing our user interface, extending our streaming service to new internet-connected devices as they are developed and creating a conscious community built on our content.

We are a Colorado corporation. Our principal and executive office is located at 833 West South Boulder Road, Suite G, Louisville, CO 80027-2452. Our telephone number at that address is (303) 222-3600. We maintain a website at www.gaia.com. The website address has been included only as a textual reference. Our website and the information contained on that website, or connected to that website, are not incorporated by reference into this Form 10-Q.

Results of Operations

The table below summarizes certain of our results for the periods indicated:

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2019	2018
Revenues, net	\$ 12,467	\$ 9,138
Cost of revenues	1,600	1,181
Gross margin	87.2%	87.1%
Selling and operating	15,722	14,517
Corporate, general and administration	1,593	1,411
Loss from operations	(6,448)	(7,971)
Interest and other income, net	37	17
Loss before income taxes	(6,411)	(7,954)
Income tax benefit	—	(1,826)
Loss from continuing operations	(6,411)	(6,128)
Income (loss) from discontinued operations	(315)	93
Net loss	\$ (6,726)	\$ (6,035)

The following table sets forth certain financial data as a percentage of revenue for the periods indicated:

	For the Three Months Ended March 31,	
	2019	2018
Revenues, net	100.0%	100.0%
Cost of revenues	12.8%	12.9%
Gross profit	87.2%	87.1%
Expenses:		
Selling and operating	126.1%	158.9%
Corporate, general and administration	12.8%	15.4%
Total expenses	138.9%	174.3%
Loss from operations	(51.7)%	(87.2)%
Interest and other income	0.3%	0.2%
Loss before taxes	(51.4)%	(87.0)%
Income tax benefit	—%	(20.0)%
Loss from continuing operations	(51.4)%	(67.1)%
Income (loss) from discontinued operations	(2.5)%	1.0%
Net loss	(54.0)%	(66.0)%

Three months ended March 31, 2019 compared to three months ended March 31, 2018

Revenues, net. Revenues increased \$3.4 million, or 37.4%, to \$12.5 million during the first quarter of 2019 from \$9.1 million during the first quarter of 2018. The increase in revenues was primarily driven by our growth in the number of paying subscribers.

Cost of revenues. Cost of revenues increased \$0.4 million, or 33.3%, to \$1.6 million during the first quarter of 2019 from \$1.2 million during the first quarter of 2018 and, as a percentage of revenues, decreased slightly to 12.8% during the first quarter of 2019 compared to 12.9% during the first quarter of 2018, primarily due to the lower cost of streaming associated with our higher volumes and an increase in revenue.

Selling and operating expenses. Selling and operating expenses increased \$1.2 million, or 8.3%, to \$15.7 million during the first quarter of 2019 from \$14.5 million during the first quarter of 2018 and, as a percentage of revenues, decreased to 126.1% during the first quarter of 2019 from 158.9% during the first quarter of 2018. The decrease as a percentage of revenue was primarily due to growth in revenue offset to a lesser extent by increased marketing spending for subscriber acquisition.

Corporate, general and administration expenses. Corporate, general and administration expenses increased \$0.2 million, or 14.3%, to \$1.6 million during the first quarter of 2019 from \$1.4 million during the first quarter of 2018, and as a percentage of revenues, decreased to 12.8% during the first quarter of 2019 from 15.4% during the first quarter of 2018.

Net loss. As a result of the above factors, net loss was \$6.7 million, or \$0.38 per share, during the first quarter of 2019 compared to a net loss of \$6.0 million, or \$0.39 per share, during the first quarter of 2018.

Seasonality

Our subscriber growth exhibits a seasonal pattern that reflects variations when consumers typically spend more time indoors and, as a result, tend to increase their viewing, similar to those of traditional TV and cable networks. Our subscriber growth is generally greatest during October through February and slowest in May through August. As we continue to expand internationally, we expect regional seasonality trends to demonstrate more predictable seasonal patterns as our service offering in each market becomes more established and we have a longer history to assess such patterns.

Liquidity and Capital Resources

Our capital needs arise from working capital required to fund operations, capital expenditures related to acquisition and development of media content, development and marketing of our digital platforms, acquisitions of new businesses and other investments, replacements, expansions and improvements to our infrastructure, and future growth. These capital requirements depend on numerous factors, including the rate of market acceptance of our offerings, our ability to expand our customer base, the cost of ongoing upgrades to our offerings, our level of expenditures for marketing, and other factors. Additionally, we will continue to pursue opportunities to expand our media libraries, evaluate possible investments in businesses and technologies, and increase our marketing programs as needed. At March 31, 2019, our cash balance was \$22.3 million. We estimate that our capital expenditures, including investments in our media library, will total approximately \$8.0 million to \$12.0 million for the remainder of 2019, which will be funded through our available cash balance, cash expected to be generated from operations and the increased borrowing under our new term loan facility as disclosed in Note 7 to the condensed consolidated financial statements in Item 1 of the Form 10-Q.

We have an active shelf registration with the Securities and Exchange Commission under which 2,316,667 shares of our Class A common stock are currently available for issuance.

In the normal course of our business, we investigate, evaluate and discuss acquisition, joint venture, minority investment, strategic relationship and other business combination opportunities in our market. For any future investment, acquisition or joint venture opportunities, we may consider using then-available liquidity, issuing equity securities or incurring indebtedness.

While there can be no assurances, we believe our cash on hand, cash expected to be generated from operations, cash that could be raised by the sale of our stock, and current and potential borrowing capabilities should be sufficient to fund our operations on both a short-term and long-term basis. However, our projected cash needs may change as a result of acquisitions, product development, unforeseen operational difficulties or other factors.

As of March 31, 2019 we had \$12.5 million drawn down on our line of credit secured by our real estate. This facility was repaid in connection with our new term loan facility, as disclosed in Note 7 to the condensed consolidated financial statements in Item 1 of this Form 10-Q.

Cash Flows

The following table summarizes our primary sources (uses) of cash during the periods presented:

(in thousands)	For the Three Months Ended March 31,	
	2019	2018
Net cash provided by (used in):		
Operating activities	(2,741)	(2,890)
Investing activities	(4,924)	(4,058)
Financing activities	—	24,841
Net increase (decrease) in cash	<u>\$ (7,665)</u>	<u>\$ 17,893</u>

Operating activities. Cash flow used in continuing operations improved \$0.1 million during the first three months of 2019 compared to the same period in 2018. The improvement was primarily due to decreased operating losses in 2019 and favorable working capital dynamics from the growth in recurring subscriber revenues.

Investing activities. Cash flow used in investing activities increased \$0.9 million during the first three months of 2019 compared to the same period in 2018 primarily due to increased investment in our media library.

Financing activities. Cash flow from financing activities decreased \$24.8 during the first three months of 2019 compared to the same period in 2018, as we did not undertake financing activities during the first three months of 2019 while in 2018 we sold shares of our ClassA common stock and repaid our line of credit.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934. Based upon its evaluation as of March 31, 2019, our management has concluded that those disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

We are a smaller reporting company as defined in Rule 12b-2 of the Securities and Exchange Act of 1934 and are not required to provide the information under this item.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit No.	Description
10.1	Form of Option Agreement (Gaia 2019 Long-Term Incentive Plan)
10.2	Form of Restricted Stock Unit Agreement (Gaia 2019 Long-Term Incentive Plan)
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith

** Furnished herewith

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.

Gaia, Inc.
(Registrant)

April 29, 2019
Date

By: /s/ Jirka Rysavy
Jirka Rysavy
Chief Executive Officer
(authorized officer)

April 29, 2019
Date

By: /s/ Paul Tarell
Paul Tarell
Chief Financial Officer
(principal financial and accounting officer)

GAIA, INC.

EMPLOYEE STOCK OPTION AGREEMENT

This Stock Option Agreement set forth below (this "Agreement") is dated as of the date of grant set forth below and is between GAIA, INC., a Colorado corporation ("Gaia"), and the individual named below ("Grantee").

Gaia has established its 2019 Long-Term Incentive Plan (the "Plan") to advance the interests of Gaia and its shareholders by providing incentives to certain eligible persons who contribute significantly to the strategic and long-term performance objectives and growth of Gaia and any parent or subsidiary of Gaia.

This Agreement evidences an option grant as follows:

Granted to:**Number of Shares:****Effective Date of Grant:****Expiration Date:****Exercise Price Per Share:****Vesting Dates:**

Pursuant to the provisions of the Plan, the Board of Directors of Gaia (the "Board") or a Committee designated by the Board (the "Committee") has full power and authority to direct the execution and delivery of this Agreement in the name and on behalf of Gaia. The Board or the Committee authorized the execution and delivery of this Agreement. All capitalized terms not otherwise defined in this Agreement have the same meaning given such capitalized terms in the Plan.

Agreement

The parties agree as follows:

Section 1. *Grant of Stock Option; Term.* Subject and pursuant to all terms and conditions stated in this Agreement and in the Plan, Gaia hereby grants to Grantee an option (the "Option") to purchase the number of shares (the "Option Shares") of Gaia's Class A common stock, par value \$0.0001 per share (the "Common Shares"), set forth above, at the exercise price set forth above. Except as otherwise provided in this Agreement or the Plan, the Option may not be exercised after the close of business on the expiration date set forth above. Grantee hereby accepts the Option on such terms and conditions, including, without limitation, the confidentiality and non-compete provisions set forth in Section 8 of this Agreement. The Option is a Nonqualified Stock Option (as such term is defined in the Plan). Grantee shall, subject to the limitations of this Agreement and the Plan, have the right to exercise the Option by purchasing all or any part of the vested Option Shares then available for purchase under the vesting schedule set forth above (less any Option Shares previously purchased upon exercise of this Option).

Section 2. *Procedures for Exercise.* Grantee shall exercise all or any part of the Option by delivering to Gaia: (i) written notice of the number of vested Option Shares to be purchased, (ii) a duly executed Stock Restriction Agreement substantially in the form of Appendix A (unless such agreement would have expired according to its terms), (iii) payment of the exercise price of such Option Shares in the form of cash or, if permitted by the Committee, qualified Common Shares, the surrender of another outstanding Award under the Plan or any combination thereof, and (iv) payment of any required withholding pursuant to Section 10. The Option shall be deemed to have been exercised as of the close of business on the date the required documents and required consideration are received by Gaia. For purposes of this Section 2, Common Shares shall be deemed to be "qualified" Common Shares if they have been held by Grantee for six months or such other period as set from time to time by the Board or the Committee.

Section 3. *Termination of Employment, Retirement, Disability or Death*

(a) Vesting shall cease on the date Grantee ceases to be employed by the Company. Following Grantee's last day of employment with the Company, this Option shall only be

exercisable for the number of Option Shares that are vested as of Grantee's last day of employment with the Company (less any Option Shares previously acquired upon exercise of this Option).

(b) Except as provided in Section 3(c) or 3(d), following Grantee's last day of employment with the Company, this Option may be exercised at any time and from time to time within the lesser of (i) the 30 day period commencing on the first day after Grantee's last day of employment with the Company or (ii) the remaining term of the Option.

(c) If termination of employment occurs due to death or disability while Grantee is an employee of the Company, then this Option may be exercised at any time and from time to time within the lesser of (i) the one year period commencing on the first day after Grantee's last day of employment with the Company or (ii) the remaining term of the Option.

(d) If termination of employment occurs due to retirement at or after normal retirement age, as prescribed from time to time by the Company's retirement policy, or retirement under circumstances approved by the Committee (either before or after retirement), then this Option may be exercised at any time within the lesser of (i) the three month period commencing on the first day after Grantee's last day of employment with the Company, or, if Grantee dies during the three month period commencing on the first day after Grantee's last day of employment with the Company, then the one year period commencing on the first day after Grantee's last day of employment with the Company, or (ii) the remaining term of the Option.

Section 4. Issuance and Delivery of Option Shares. The stock certificate(s) representing Option Shares shall be issued to Grantee subject to satisfaction of the applicable tax withholding requirements set forth in Section 10. The issuance of Option Shares shall be in accordance with the provisions of Section 5.

Section 5. No Issuance of Option Shares if Violation. Gaia shall not issue stock certificate(s) representing Option Shares if the administrator of the Plan or its authorized agent determines, in its sole discretion that the issuance of such certificate would violate the terms of the Plan, this Agreement or applicable law.

Section 6. Rights as an Employee or Shareholder. Except as otherwise provided in the Plan, no person shall be, or have any of the rights or privileges of, a shareholder of Gaia with respect to any of the Option Shares unless and until certificates representing such shares shall have been issued and delivered to such person. Neither the Plan nor this Agreement shall be deemed to give Grantee any right with respect to continued employment with the Company, nor shall the Plan or the Agreement be deemed to limit in any way the Company's right to terminate Grantee's employment at any time.

Section 7. Nondisparagement and Further Assistance. During Grantee's employment and thereafter, Grantee will not make any disclosure, issue any public statements or otherwise cause to be disclosed any information which is designed, intended or might reasonably be anticipated to discourage suppliers, customers or employees of the Company or otherwise have a negative impact or adverse effect on the Company. Grantee will provide assistance reasonably requested by the Company in connection with actions taken by Grantee while employed by the Company, including but not limited to assistance in connection with any lawsuits or other claims against the Company arising from events during the period in which Grantee was employed.

Section 8. Nondisclosure of Confidential Information; Non-Compete. In consideration of the receipt of the Option, Grantee agrees (i) not to disclose to any third party any trade secrets or any other confidential information of the Company (including but not limited to cost or pricing information, customer lists, commission plans, supply information, internal business procedures, market studies, expansion plans, potential acquisitions, terms of any acquisition or potential acquisition or the existence of any negotiations concerning the same or any similar non-public information relating to the Company's internal operations, business policies or practices) acquired during Grantee's employment by the Company or after the termination of such employment, or (ii) use or permit the use of any of the Company's trade secrets or confidential information in any way to compete (directly or indirectly) with the Company or in any other manner adverse to the Company. In addition, Grantee agrees that, without the prior written consent of the Company, signed by the Company's Chief Executive Officer, Grantee will

not, during the term of Grantee's employment by the Company or for a period of two years thereafter (i) accept employment with, serve as a consultant to, or accept compensation from any person, firm or corporation (including any new business started by Grantee, either alone or with others) whose products and/or services compete with those offered by the Company, in any geographic market in which the Company is then doing business or to Grantee's knowledge plans to do business, (ii) contact or solicit any customers of the Company for the purposes of diverting any existing or future business of such customers to a competing source, (iii) contact or solicit any vendors to the Company (directly or indirectly) for the purpose of causing, inviting or encouraging any such vendor to alter or terminate his, her or its business relationship with the Company, or (iv) contact or solicit any employees of the Company (directly or indirectly) for the purpose of causing, inviting or encouraging any such employee to alter or terminate his, her or its employment relationship with the Company.

The Company will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights to which it may be entitled. Grantee agrees and acknowledges that money damages may not be an adequate remedy for breach of the provisions of this Agreement and that the Company may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

Grantee agrees that this covenant is reasonable with respect to its duration, geographic area and scope. It is the desire and intent of the parties that the provisions of this Section 8 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular portion of this Section 8 shall be adjudicated to be invalid or unenforceable, this Section 8 shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of this Section 8 in the particular jurisdiction in which such adjudication is made.

Section 9. Securities Laws. Grantee acknowledges that applicable securities laws may restrict the right and govern the manner in which Grantee may dispose of the Option Shares obtained upon exercise of the Option and Grantee agrees not to offer, sell or otherwise dispose of any such shares in a manner that would violate the Securities Act of 1933, as amended, or any other federal or state law.

Section 10. Income Taxes. Grantee acknowledges that when Grantee is required to recognize income for federal, state or local income tax purposes on account of the grant, vesting and/or exercise of the Option, pursuant to this Agreement, that such income shall be subject to withholding of tax by Gaia. Grantee agrees that Gaia may either withhold an appropriate amount from any compensation or any other payment of any kind then payable or that may become payable to Grantee, or require Grantee to make a cash payment to Gaia equal to the amount of withholding required in the opinion of Gaia. In the event Grantee does not make such payment when requested, Gaia may refuse to issue or cause to be delivered any shares under this Agreement or any other incentive plan agreement entered into by Grantee and Gaia until such payment has been made or arrangements for such payment satisfactory to Gaia have been made. Grantee agrees further to notify Gaia promptly if Grantee files an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to any Option Shares.

Section 11. Prohibition on Transfer or Assignment. Except as provided in the Plan, neither this Agreement nor the Option may be transferred or assigned, other than an assignment by will or by laws of descent and distribution, and this Option shall be exercisable during Grantee's lifetime only by Grantee or by such permitted assignee.

Section 12. Binding Effect; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Company and Grantee and their respective heirs, representatives, successors and permitted assigns. This Agreement shall not confer any rights or remedies upon any person other than Gaia and Grantee and their respective heirs, representatives, successors and permitted assigns. The parties agree that this Agreement shall survive the exercise or termination of the Option.

Section 13. Agreement to Abide by Plan; Conflict between Plan and Agreement The Plan is hereby incorporated by reference into this Agreement and made a part hereof as though fully set forth in this Agreement. Grantee, by execution of this Agreement, (i) represents that he is familiar with the terms and provisions

of the Plan and (ii) agrees to abide by all of the terms and conditions of this Agreement and the Plan. Grantee accepts as binding, conclusive and final all decisions or interpretations of the administrator of the Plan upon any question arising under the Plan and this Agreement (including, without limitation, the cause of any termination of Grantee's employment with the Company). In the event of any conflict between the Plan and this Agreement, the Plan shall control and this Agreement shall be deemed to be modified accordingly.

Section 14. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations by or between the parties, written or oral, to the extent they related in any way to the subject matter hereof.

Section 15. Choice of Law. To the extent not superseded by federal law, the laws of the state of Colorado shall control in all matters relating to this Agreement and any action relating to this Agreement must be brought in Denver, Colorado.

Section 16. Notice. All notices, requests, demands, claims, and other communications under this Agreement shall be in writing. Any notice, request, demand, claim, or other communication under this Agreement shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the address set forth below the recipient's signature to this Agreement. Either party to this Agreement may send any notice, request, demand, claim, or other communication under this Agreement to the intended recipient at such address using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party to this Agreement may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this section.

Section 17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

EXECUTED as of the date of grant set forth above.

GAIA, INC.

GRANTEE

By _____

Address: 833 W. South Boulder Road
Louisville, CO 80027
Attn.: Stock Option Administration

Address: _____

Social Security No. _____

GAIA, INC.
Restricted Stock Unit Award Agreement

This RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement") made as of _____, 20__ (the "Award Date"), between GAIA, INC., a Colorado corporation ("Gaia"), and _____ ("Grantee"), is made pursuant to the terms of the GAIA, INC. 2019 Long-Term Incentive Plan, as amended from time to time (the "Plan"). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

Section 1. Restricted Stock Unit Award. Gaia hereby grants to Grantee, on the terms and subject to the conditions hereinafter set forth, an Award of _____ Restricted Stock Units (the "RSUs"), effective as of the Award Date. The RSUs are notional, non-voting units of measurement, which will entitle Grantee to receive, subject to the terms hereof, a payment in Class A Shares of Gaia (collectively, "Shares" and singularly, a "Share") equal to one Share for each vested RSU. In no event will fractional Shares be issued pursuant to this Award.

Section 2. Vesting, Forfeiture and Termination of Award. The RSUs will vest on _____, 20__ (the "Vesting Date"), provided that Grantee is still an employee or director of the Company on such date. The RSUs (including any Dividend Equivalents declared thereon) prior to vesting shall be forfeited and of no further force and effect if Grantee's employment or service terminates for any reason before the Vesting Date, including, but not limited to, involuntary termination.

Section 3. Rights of Grantee. Subject to the otherwise applicable provisions of this Agreement, Grantee shall have no dividend, voting, or any other rights as a shareholder of Gaia with respect to any RSUs. The grant of an Award of RSUs pursuant to the Plan constitutes a mere unsecured promise by Gaia to pay Grantee the benefits described in the Award and Grantee shall be a general unsecured creditor of Gaia with respect to the benefits payable hereunder. Notwithstanding the foregoing, if Gaia declares a dividend on its Shares, as of the record date for such dividend, Grantee shall be credited with an additional number of RSUs equal to (A) the number of RSUs Grantee holds on such record date, multiplied by (B) the amount paid as a dividend on each Share on such date, divided by the Fair Market Value of a Share on the record date. Any additional RSUs granted pursuant to the preceding sentence automatically shall be subject to the vesting provisions set forth above in Section 2.

Section 4. Payment of Award

(a) General. Payment with respect to the vested RSUs shall be made in Shares within sixty (60) days following the date on which such RSUs vest.

(b) Withholding. The payment of the RSUs is subject to withholding of all Federal, state and local income taxes and other amounts required by law to be paid or withheld in the amount determined by Gaia (the "Withholding Tax Amount"). Unless you elect otherwise and Gaia consents, Gaia shall satisfy the Withholding Tax Amount by withholding from the Shares to be delivered to Grantee that number of whole Shares having an aggregate Fair Market Value on the relevant payment date equal to or less than the Withholding Tax Amount, and Grantee shall be responsible for paying the difference, if any between the Tax Withholding Amount and the Fair Market Value of the whole number of Shares that are withheld pursuant to the preceding sentence. Any cash payment required to be made by Grantee with respect to the Withholding Tax Amount may be made by wire transfer to such account as Gaia may direct or by any other means acceptable to Gaia.

Section 5. Restrictions on Transfer. The RSUs covered hereby may not be sold, assigned, transferred, encumbered, hypothecated or pledged by Grantee and such action shall be null and void and shall result in the immediate forfeiture of the entire award made to Grantee who attempted to effect such transfer.

Section 6. Investment Representation. Upon the acquisition of the Shares at a time when there is not in effect a registration statement under the Securities Act of 1933, as amended, relating to the Shares, Grantee hereby represents and warrants, and by virtue of such acquisition shall be deemed to represent and warrant, to Gaia that the Shares shall be acquired for investment and not with a view to the distribution thereof, and not with any present intention of distributing the same, and Grantee shall provide Gaia with such further representations and warranties as Gaia may require in order to ensure compliance with applicable federal and state securities, blue sky and other laws.

No Share shall be acquired unless and until Gaia and/or Grantee shall have complied with all applicable federal or state registration, listing and/or qualification requirements and all other requirements of law or of any regulatory agencies having jurisdiction, unless the Committee has received evidence satisfactory to it that Grantee may acquire the Shares pursuant to an exemption from registration under the applicable securities laws. Any determination in this connection by the Committee shall be final, binding and conclusive. Gaia reserves the right to legend any certificate or book entry representation of the Shares conditioning sales of such shares upon compliance with applicable federal and state securities laws and regulations.

Section 7. Adjustments. The Award shall be subject to the provisions of Section 15 of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in Gaia's corporate structure.

Section 8. No Right to Continue to Provide Service. Nothing in this Agreement shall confer upon Grantee any right to continue to provide service, in any capacity, to the Company or to interfere in any way with any right of the Company to terminate Grantee's service to the Company at any time.

Section 9. Data Privacy. Grantee agrees that all of Grantee's information that is described or referenced in this Agreement and the Plan may be used by the Company, its affiliates and the designated broker and its affiliates to administer and manage Grantee's participation in the Plan.

Section 10. Headings. The section headings in this Agreement are inserted only as a matter of convenience, and in no way define, limit, extend or interpret the scope of this Agreement or of any particular section.

Section 11. Number and Gender. Throughout this Agreement, as the context may require, (a) the masculine gender includes the feminine and the neuter gender includes the masculine and the feminine; (b) the singular tense and number includes the plural, and the plural tense and number includes the singular; (c) the past tense includes the present, and the present tense includes the past; (d) references to parties, sections, paragraphs and exhibits mean the parties, sections, paragraphs and exhibits of and to this Agreement; and (e) periods of days, weeks or months mean calendar days, weeks or months, except as otherwise specified.

Section 12. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable by any court or arbitrator of competent jurisdiction, then solely as to such jurisdiction and subject to this Section 12, that provision shall be limited ("blue-penciled") to the minimum extent necessary so that this Agreement shall otherwise remain enforceable in full force and effect in such jurisdiction and without affecting in any way the enforceability of this Agreement in other jurisdictions. To the extent such provision cannot be so modified, the offending provision shall, solely as to such jurisdiction, be deemed severable from the remainder of this Agreement, and the remaining provisions contained in this Agreement shall be construed to preserve to the maximum permissible extent the intent and purposes of this Agreement in such jurisdiction and without affecting in any way the enforceability of this Agreement in other jurisdictions.

Section 13. Construction. This Agreement and the Award hereunder are granted by Gaia pursuant to the Plan and are in all respects subject to the terms and conditions of the Plan. Grantee hereby acknowledges that a copy of the Plan has been delivered to Grantee and accepts the RSUs hereunder subject to all terms and provisions of the Plan, which is incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, the Plan will govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon Grantee and Gaia.

Section 14. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado, without regard to the principles of conflicts of laws.

Section 15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Grantee and the successors of Gaia.

Section 17. Notices. Any notice that is required under this Agreement shall be in writing and delivered personally or by mail, addressed (a) if to Gaia, at its corporate headquarters, attention: Jirka Rysavy and Paul Tarell and (b) if to Grantee, at the address in Grantee's then current personnel records. Such notice shall be deemed given upon receipt.

Section 18. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, merging any and all prior agreements.

Section 19. Acceptance. Grantee acknowledges receipt of a copy of the Plan and this Agreement and that he or she has read and understands the terms and provisions thereof, and accepts the RSUs subject to all of the terms and conditions of the Plan and this Agreement. If Grantee does not return an executed copy of this Agreement within seven (7) days of delivery of this Agreement to Grantee, the Award shall be null and void and of no effect.

Section 20. Section 409A: Taxation. The compensation provided under this Agreement is intended to constitute a "short-term deferral" within the meaning of Treasury Regulation Section 1.409A-1(b)(4) and be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), and this Agreement shall be interpreted and construed in accordance with such intent. Where this Agreement specifies a payment or settlement (for purposes of this Section 20 a "payment") period, the actual date of payment within such specified period shall be within the sole discretion of Gaia, and Grantee shall have no right (directly or indirectly) to determine the year in which such payment is made. In the event that Gaia determines that any compensation provided hereunder may violate applicable requirements of Section 409A, Gaia (without any obligation to do so or obligation to indemnify Grantee for any failure to do so) may adopt, without the consent of Grantee, such amendments to this Agreement or take any other actions that Gaia in its sole discretion determines are necessary or appropriate for such compensation to either (a) be exempt from the requirements of Section 409A or (b) comply with the requirements of Section 409A. In no event does Gaia guarantee any particular tax consequences, outcome or tax liability to Grantee. No provision of this Agreement shall be interpreted or construed to transfer any liability imposed on Grantee under the Code, including liabilities for failure to comply with the requirements of Section 409A, from Grantee or any other individual to Gaia or its affiliates.

Section 21. Restrictive Covenants.

(a) Non-Disparagement. During Grantee's employment and thereafter, Grantee will not make any disclosure, issue any public statements or otherwise cause to be disclosed any information which is designed, intended or might reasonably be anticipated to discourage suppliers, customers or employees of the Company or otherwise have a negative impact or adverse effect on the Company.

(b) Post-employment Assistance. Following Grantee's employment, Grantee will provide assistance reasonably requested by the Company in connection with actions taken by Grantee while employed by the Company, including but not limited to assistance in connection with any lawsuits or other claims against the Company arising from events during the period in which Grantee was employed.

(c) Confidential Information. In consideration of the Award, the Grantee agrees (i) not to disclose to any third party any trade secrets or any other confidential information of the Company (including but not limited to cost or pricing information, customer lists, commission plans, supply information, internal business procedures, market studies, expansion plans, potential acquisitions, terms of any acquisition or potential acquisition or the existence of any negotiations concerning the same or any similar non-public information relating to the Company's internal operations, business policies or practices) acquired during Grantee's employment by the Company or after the termination of such employment, or (ii) use or permit the use of any of the Company's trade secrets or confidential information in any way to compete (directly or indirectly) with the Company or in any other manner adverse to the Company.

(d) Non-Competition/Non-Solicitation. Without the prior written consent of the Company, signed by the Company's Chief Executive Officer, Grantee will not, during the term of Grantee's employment by the Company or for a period of two (2) years thereafter (i) accept employment with, serve as a consultant to, or accept compensation from any person, firm or corporation (including any new business started by Grantee, either alone or with others) whose products and/or services compete with those offered by the Company, in any geographic market in which the

Company is then doing business or to Grantee's knowledge plans to do business (ii) contact or solicit any customers of the Company for the purposes of diverting any existing or future business of such customers to a competing source, (iii) contact or solicit any vendors to the Company (directly or indirectly) for the purpose of causing, inviting or encouraging any such vendor to alter or terminate his, her or its business relationship with the Company, or (iv) contact or solicit any employees of the Company (directly or indirectly) for the purpose of causing, inviting or encouraging any such employee to alter or terminate his, her or its employment relationship with the Company.

(c) Enforcement of Rights. (i) The Company will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights to which it may be entitled. Grantee agrees and acknowledges that money damages may not be an adequate remedy for breach of the provisions of this Agreement and that the Company may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(ii) Grantee agrees that the covenants set forth in this Section 21 are reasonable with respect to their duration, geographic area and scope. It is the desire and intent of the parties that the provisions of this Section 21 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular portion of this Section 21 shall be adjudicated to be invalid or unenforceable, this Section 21 shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of this Section 21 in the particular jurisdiction in which such adjudication is made.

IN WITNESS WHEREOF, Gaia and Grantee have executed this Agreement, effective as of the date first above written.

GAIA, INC.

By: _____
Name:
Title:

GRANTEE

By: _____
Name:

CERTIFICATION

I, Jirka Rysavy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaia, 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 presented 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles;
 - (c) 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
 - (d) 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: April 29, 2019

/s/ Jirka Rysavy
Jirka Rysavy
Chief Executive Officer
(principal executive officer)

CERTIFICATION

I, Paul Tarell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gaia, 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 presented 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (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) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles;
 - (c) 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
 - (d) 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: April 29, 2019

/s/ Paul Tarell
Paul Tarell
Chief Financial Officer
(principal financial officer)

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Gaia, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2019, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Jirka Rysavy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: April 29, 2019

/s/ Jirka Rysavy

Jirka Rysavy
Chief Executive Officer
(principal executive officer)

A signed original of the written statement required by Section 906 has been provided to Gaia will be retained by Gaia and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Gaia, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2019, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Tarell, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: April 29, 2019

/s/ Paul Tarell

Paul Tarell
Chief Financial Officer
(principal financial officer)

A signed original of the written statement required by Section 906 has been provided to Gaia and will be retained by Gaia and furnished to the Securities and Exchange Commission or its staff upon request.