UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2018

OR

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

Commission File Number: 001-37899

SCWorx Corp.

(f/k/a Alliance MMA, Inc.)
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**47-5412331**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

590 Madison Avenue, 21st Floor
New York, New York 10022
(212) 739-7825
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Title of each class	**Name of each exchange on which registered**
Common stock, par value $0.001 per share	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes☐ No ☒

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or 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 ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

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

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

As of June 30, 2018, the aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant was approximately $4.9 million, based on the last reported trading price of the Common Stock on that date, as reported on the Nasdaq Capital Market.

The number of shares outstanding of the registrant's common stock as of March 29, 2019 was 6,563,195.

SCWORX CORP.
(f/k/a ALLIANCE MMA, INC.)
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Cautionary Statement Regarding Forward-Looking Statements

Certain statements that we make from time to time, including statements contained in this Annual Report on Form 10-K constitute "forward-looking statements" within the meaning Private Securities Litigation Reform Act of 1995, and of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact contained in this Annual Report on Form 10-K are forward-looking statements. These statements, among other things, relate to our business strategy, goals and expectations concerning our services, future operations, prospects, plans and objectives of management. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", and similar terms and phrases are used to identify forward-looking statements in this presentation.

Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Forward-looking statements in this Annual Report on Form 10-K include, without limitation, statements reflecting management's expectations for future financial performance and operating expenditures (including our ability to continue as a going concern, to raise additional capital and to succeed in our future operations), expected growth, profitability and business outlook, and operating expenses.

Forward-looking statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from those anticipated by such statements. These factors include, among other things, the unknown risks and uncertainties that we believe could cause actual results to differ from these forward looking statements as set forth under the heading, "Risk Factors" and elsewhere in this Annual Report on Form 10-K. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all of the risks and uncertainties that could have an impact on the forward-looking statements, including without limitation, risks and uncertainties relating to our ability to:

- integrate and optimize the results from the acquisition of SCWorx Corp; and
- grow the revenues and contain the costs related to our recently acquired SCWorx business and existing CageTix ticketing business.

Although we believe that the expectations reflected in the forward-looking statements contained in this Annual Report on Form 10-K are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. In light of inherent risks, uncertainties and assumptions, the future events and trends discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Except as required by law, we are under no duty to update or revise any of such forward-looking statements, whether as a result of new information, future events, or otherwise, after the date of this Annual Report on Form 10-K.

You should read this Annual Report on Form 10-K with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

All references to "Alliance," "Alliance MMA," "we," "us," "our" or the "Company" mean Alliance MMA, Inc., a Delaware corporation n/k/a SCWorx Corp., and where appropriate, its wholly owned subsidiaries.

PART I

Item 1. Business

Corporate Information

We were incorporated in Delaware on February 15, 2015 under the name "Alliance MMA, Inc."

On February 1, 2019, the Company acquired SCWorx Corp. in a stock for stock exchange transaction and changed its name to SCWorx Corp. Effective February 4, 2019, the Company changed the trading symbol for its common stock listed on the Nasdaq Capital Market to "WORX."

Our principal executive offices are located at 590 Madison Avenue, 21st Floor, New York, New York, 10022. Our telephone number is (212) 739-7825.

In this Annual Report, the terms "Alliance," "Alliance MMA," the "Company," "we," "us" and "our" refer to Alliance MMA, Inc. (n/k/a SCWorx Corp.). Unless specified otherwise, the historical financial results in this Annual Report are those of the Company and its subsidiaries on a consolidated basis.

Our Business

Alliance MMA began its operations as a sports media company operating a regional mixed martial arts ("MMA") promotion business under the Alliance MMA name as well as under the trade names of the regional promoters we acquired. The fighters who participated in our MMA promotions were provided the opportunity to develop and showcase their talents for advancement to the next level of professional MMA competition. On May 25, 2018, the Company commenced cessation of all the professional MMA promotion operations and supporting functions and began the plan of disposition. This action included the termination of all promotion and support employees. As of June 30, 2018, all the MMA promotions were either disposed or ceased operations. On September 13, 2018, the Company commenced cessation of the sports management operations and began a plan of disposition. This action included the termination of all sports management employees. As of September 30, 2018, the sports management business unit was disposed. As of December 31, 2018, the Company has disposed of all MMA promotion businesses and the sports management business and has been focused on the closing of the SCWorx Corp. ("SCWorx") acquisition and related financing transactions, and operating its ticketing business. The SCWorx acquisition closed on February 1, 2019 and the company completed a one-for-nineteen reverse stock split [bracketed amounts represent post-split adjusted shares or per share amounts]. As of the filing date of this 10-K Annual Report, the Company continues to operate its ticketing business, and is focused on its newly acquired SCWorx business.

Our Promotions

The following is a discussion of our former promotion business, all of which had been disposed of as of May 25, 2018, as previously described.

In 2018, our regional promotions held a number of events, some of which were televised on cable and network stations and/or streamed live via the internet. In providing fighters the opportunity to demonstrate their talents and move toward more lucrative fights, we also stressed the importance of maintaining strong personal values such as integrity, respect and discipline, as we believe that these attributes to be as important to a fighter's success as his or her physical talents and skills. Our promotions generated revenue through ticket and concession sales at live MMA events. In addition, we distributed our original content on television, cable networks, pay-per-view broadcasts and streaming over the internet. We also received sponsorship fees for live and tape-delayed MMA events.

Our promotions were as follows:

CFFC Promotions ("CFFC") – based in Atlantic City, New Jersey, CFFC promoted professional MMA events primarily in New Jersey and Pennsylvania.

Hoosier Fight Club ("Hoosier Fight Club" or "HFC") – based in the Chicago, Illinois metropolitan area, HFC promoted professional MMA events in Indiana.

COmbat GAmes MMA ("COGA") – based in Kirkland, Washington, COGA promoted professional MMA events primarily in Washington State.

Shogun Fights ("Shogun") – based in Baltimore, Maryland, Shogun promoted professional MMA events at the Royal Farms Arena in Baltimore.

V3 Fights ("V3") – based in Memphis, Tennessee, V3 promoted professional MMA events primarily at event centers in Memphis, Tennessee, elsewhere in Tennessee, Mississippi and Alabama.

Iron Tiger Fight Series ("IT Fight Series" or "ITFS") – based in Bellefontaine, Ohio, IT Fight Series promoted professional MMA events in various locations throughout Ohio.

Fight Time Promotions ("Fight Time") – based in Fort Lauderdale, Florida, Fight Time promoted professional MMA events throughout the South Florida Market.

National Fighting Championships ("NFC") – based in Atlanta, Georgia, NFC promoted professional MMA events throughout Atlanta, Georgia, South Carolina and North Carolina.

Fight Club Orange County ("FCOC" or "Fight Club OC") – based in Orange County, California, Fight Club OC promoted professional MMA events throughout Southern California.

Victory Fighting Championship ("Victory") – based in Omaha, Nebraska, Victory promoted professional MMA events throughout Nebraska, Kansas, South Dakota and Iowa.

Video Production and Distribution

Go Fight Net, Inc. ("GFL") – As an adjunct to the promotion business, Alliance provided video distribution and media archiving through Alliance Sports Media ("ASM") formerly GFL and ceased operations on May 25, 2018.

Sports Management

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

On September 13, 2018, management and the board of directors extended the exit/disposal plan to the sports management business unit because it did not believe it could generate positive cash flows. On September 26, 2018 the Company entered an agreement to sell SuckerPunch Entertainment to the former owners. The effective date of the transaction was July 1, 2018. SuckerPunch – based in Northern Virginia, managed over approximately 150 professional MMA fighters. Since 2007, SuckerPunch has managed several UFC titleholders including Joanna Jedrzejczyk, Jens Pulver, Carla Esparza and, most recently, Max Holloway.

Ticketing Platform

CageTix – founded in 2009, CageTix focusses its ticket sales service on the MMA industry. CageTix presently services many of the industry's top U.S. mixed martial arts events.

As of the filing date of this 10-K Annual Report, the Company continues to operate its ticketing business, but is focused primarily on its newly acquired SCWorx business.

Our Business Objectives and Strategies

The Company's current focus is on integrating and optimizing the acquisition of SCWorx Corp., which was completed February 1, 2019. The Company also continues to operate its ticketing business.

The CageTix Ticketing Platform

The majority of paid tickets for regional MMA events are sold by fighters appearing on the event fight card. The CageTix platform provides significant benefits to third party MMA promotions, including the security of credit/debit card sales processing; immediate revenue recognition; real time sales reporting; and sales audit and compliance tracking for tax and regulatory authorities.

SCWorx Corp.'s Corporate History

On December 31, 2017, SCWorx, LLC acquired its wholly owned subsidiary, Primrose Solutions, LLC, ("Primrose"), a Delaware limited liability company focused on developing functionality within SCWorx Corp.'s software. The majority of shareholders of Primrose were shareholders of SCWorx Corp. and based upon SAB Topic 5G, the technology acquired has been accounted for at predecessor cost of $nil. In June 2018, SCWorx, LLC merged with and into SCWorx Acquisition Corp., a Delaware corporation, as a result of which it became a Delaware corporation. Prior to entering into the Share Exchange Agreement, SCWorx Acquisition Corp. changed its name to SCWorx Corp. and then changed its name to SCW FL Corp. to allow the Company to change its name to SCWorx Corp. at the closing of the acquisition.

Overview of SCWorx Acquisition and related Financing Transactions

SCWorx Corp. Acquisition

On August 20, 2018, Company entered into a Stock Exchange Agreement, as amended by Amendment No. 1 thereto (the "Share Exchange Agreement" or "SEA") with SCWorx Corp., a software as a service ("SaaS") company servicing the healthcare industry, under which the Company agreed to purchase from the SCWorx Corp. shareholders all the issued and outstanding capital stock of SCWorx Corp., in exchange for which the Company agreed to issue at the closing:

(i) 190,000 Series A Preferred Stock Units, comprised of 190,000 shares of Series A Preferred Stock ($10.00 face value per share, convertible into common stock at a post-split adjusted price per share of $3.80 (subject to adjustment), and warrants to purchase 250,000 post-split adjusted shares of common stock at a post-split adjusted exercise price of $5.70 per share), in satisfaction of approximately $1.9 million of SCWorx indebtedness; and

(ii) approximately 5,263,158 post-split adjusted shares of the Company's common stock (each of which had a value of approximately $4.40 per share, based on the last sale price of the Company's common stock on February 1, 2019 (the Closing Date).

Consummation of the transactions contemplated by the SEA was subject to satisfaction of a variety of conditions, including approval by the Company and SCWorx Corp.'s shareholders and the newly combined company meeting the listing qualifications for initial inclusion on the Nasdaq Capital Market.

SCWorx Corp. Financing Transaction

On June 28, 2018, the Company entered into a Securities Purchase Agreement, as amended December 18, 2018 (the "SPA") with SCWorx Corp. (n/k/a SCW FL Corp.) a big data software as a service company servicing the healthcare industry (f/k/a SCWorx Acquisition Corp.) ("SCWorx"), under which it agreed to sell up to $1,250,000 in principal amount of convertible notes and warrants to purchase up to 59,387 post-split adjusted shares of Company common stock. $750,000 in principal amount was under the SPA convertible into shares of common stock at a post-split conversion price of $7.08 (reduced to $4.09 per share by amendment dated January 25, 2019) and the warrants are exercisable for shares of Company common stock at a post-split exercise price of $7.08 per share. The remaining $500,000 in principal amount is under the SPA convertible into shares of common stock at a post-split conversion price of $3.80 and the warrants are exercisable for shares of Company common stock at a post-split exercise price of $5.70 per share.

As of December 31, 2018, pursuant to the SPA, SCWorx had purchased convertible notes of the Company in the aggregate amount of $1,035,000, convertible into 180,970 post-split shares, and warrants to purchase an aggregate 45,243 post-split shares of common stock. These notes bear interest at 10% per annum, mature one year from the date of issue and are subject to automatic conversion upon consummation of the Company's acquisition of SCWorx. Since December 31, 2018, SCWorx purchased the remaining $215,000 in convertible notes bringing the aggregate amount purchased to $1,250,000. This note was amended in January 2019 to reduce the conversion price to $0.215 [$4.09] per share.

Series A Preferred Stock Financing

The Company has sold an aggregate of $6,150,000 in Series A Preferred Stock Units comprised in the aggregate of 615,000 shares of Preferred Stock (face value $10 per share), convertible into common stock at a rate of $3.80 per share (on a post-split adjusted basis) (subject to adjustment), and (ii) warrants to purchase up to 809,211 post-split adjusted shares of common stock, with an exercise price of $5.70 per share (subject to adjustment) (the "Preferred Stock Units").The sale of the Series A Preferred Stock Units was deemed a below market issuance (on an as converted basis) of more than 20% of the Company's issued and outstanding common shares. As such, the conversion of the Preferred Shares and exercise of the Warrants was subject to shareholder approval, as required by Nasdaq Rule 5635(d), which was obtained January 30, 2019.

In connection with the sale of the Series A Preferred Stock Units, the Company (i) received $5.5 million in cash proceeds and (ii) satisfied approximately $676,000 of indebtedness, for an aggregate of $6,150,000.

The cash amount raised from the sale of the Series A Preferred Stock Units was required to be kept in a reserve account pending the closing of the Company's acquisition of SCWorx, which occurred February 1, 2019. These funds are now available to fund the business of the combined company.

On February 1, 2019, the Company consummated the acquisition of SCWorx as contemplated by the SEA andeffected a one-for-nineteen reverse stock split of its common stock and changed its name to SCWorx Corp. References to SCWorx herein refer to the company acquired by the Company. SCWorx is focused on streamlining the three core healthcare provider systems; Supply Chain, Financial and Clinical ("EMR") enabling providers' enterprise systems to work as one automated and seamless business management system.

Alliance's common stock was listed on the Nasdaq Capital Market under the trading symbol "AMMA". Upon the completion of the acquisition of SCWorx, the Company's common stock began being listed on the Nasdaq Capital Market under the trading symbol "WORX" as of February 4, 2019.

Overview of the Company's Business

As noted above, as of the filing date of this 10-K Annual Report, although the Company continues to operate its ticketing business, it is now focused on its newly acquired SCWorx business.

SCWorx is a provider of data content and services related to the repair, normalization and interoperability of information for healthcare providers, as well as big data analytics for the healthcare industry. SCWorx has developed and markets health care information technology solutions and associated services that improve healthcare processes and information flow within hospitals and other healthcare facilities. SCWorx's software enables a healthcare provider to simplify and organize its data ("data normalization"), allows the data to be utilized across multiple internal software applications ("interoperability") and provides the basis for sophisticated data analytics ("big data"). Customers use our software to achieve multiple operational benefits, such as supply chain cost reductions, decreased accounts receivables aging, accelerated and completed patient billing in less than 72 hours, contract optimization, increased supply chain management and total cost visibility via dynamic AI connections that automatically structures, repairs, synchronizes and maintains purchasing ("MMIS"), Clinical ("EMR") and finance ("CDM") systems. SCWorx's customers include some of the most prestigious healthcare organizations in the United States. SCWorx offers an advanced software solution for the management of health care providers' foundational business applications, empowering its customers to significantly reduce costs, drive better clinical outcomes and enhance their revenue. SCWorx supports the interrelationship between the three core healthcare provider systems: Supply Chain, Financial and Clinical. This solution integrates common keys within distinct and variable databases that allows the repaired foundational data to move seamlessly from one application to another enabling our Customers to drive supply chain cost reductions, optimize contracts, increase supply chain management ("SCM"), cost visibility, control rebates and contract administration fees.

Currently, the business systems of hospitals are frequently deficient and often unconnected from each other. These deficiencies in part result from the vast amount of unstructured, manually created and managed data that proliferates within the hospital's supply chain, clinical and billing systems. SCWorx's solutions are designed to quickly and accurately improve the flow of information between the buy-side (supply chain purchasing systems), the consumption-side (clinical documentation systems like the electronic medical records ("EMR")) and billing and collection systems (patient billing systems). The currently poor state of interoperability limits the potential value of each independent system and requires significant expense and huge human resource commitments from senior personnel to stay ahead of problems and complete basic administrative tasks. SCWorx provides an information service that ultimately leads to safer, more cost effective and financially efficient patient care.

SCWorx has demonstrated that in order for the core hospital systems to function properly there must be a Single Source of Truth ("SSOT") for all products utilized and ultimately billed for. The Item Master File ("IMF"), which is a database of all known products used in hospital and health care settings, must be accurate at all times and expanded upon to hold both clinical and financial attributes. An accurate and expanded Item Master File supports interoperability between the supply chain, clinical and financial systems by delivering, on demand, reports detailing the purchasing, utilization and revenue associated with each and every item used, allowing hospitals to better manage their business. The Single Source of Truth establishes a common vernacular and syntax, while assigning a consistent meaning across the healthcare providers core systems and accurately migrating data from one application to another and removing disconnects between critical business systems.

SCWorx's software solutions are delivered to clients within a fixed term period, where such software is hosted in SCWorx's data center and accessed by the client through a secure connection in a software as a service ("SaaS") delivery method.

SCWorx sells its solutions and services in the United States to hospitals and health systems through its distribution and reseller partnerships.

SCWorx's Software Solutions/Services

SCWorx empowers healthcare providers to maintain comprehensive access and visibility to an advanced business intelligence that enables better decision-making and reductions in product costs and utilization, ultimately leading to accelerated and accurate patient billing. SCWorx's software modules perform separate functions as follows.

- Virtualized Item Master File repair, expansion and automation — The process begins with data normalization — data is put into a simplified and normalized structure and location for use throughout the enterprise. The SCWorx software normalizes, automates and builds interoperability via advanced attribution, vendor and contract mapping, product categorization, repairing the unit of measure and establishing revenue codes and flags. SCWorx improves the healthcare providers' business processes through the establishment of a clean and normalized Item Master File that improves efficiencies, eliminates cumbersome and error-prone manual processes, provides an integrated cloud-based suite of services that enhances the productivity of operating room staff, supply chain margins and billing revenue through the seamless sharing and accuracy of critical business data.

- Electronic Medical Record Management — The Electronic Medical Record (EMR) module integrates the advanced data attributes created by SCWorx in the Item Master to the EMR. The EMR serves as the database that hospitals use to document all clinical procedures in terms of the products used and the costs that should be charged. What makes this module special is that prior to its creation there was no mechanism that tied product purchases to actual utilization. Hospitals, being mass consumption businesses, had no way to identify excess ordering that always accompanies mass consumption organizations. In addition, the automation and consistency of delivered attributes dramatically reduces the administrative burden as today these additional attributes are being created by expensive clinical resources manually — over and over again by each hospital. The SCWorx EMR management system creates one vernacular for each hospital so they see the data in a manner that suits them — and then creates a universal vernacular so they can see their performance against other like institutions.

- Charge Description Master Management — The Charge Description Master (CDM) Management module assists healthcare providers by integrating the CDM data into the workflow of the hospitals purchasing systems so that the latest costs can be automatically updated against the hospitals charging systems. The CDM data provided SCWorx is made more accurate and the resulting data is integrated to the Item Master for real-time delivery to the EMR — this data is the last remaining piece of information that is consumed by the EMR and passed ultimately to the patient billing systems. SCWorx provides real-time integration, automation and management of Item Master File, Clinical Information Systems and the Charge Description Master.

- Contract Management — SCWorx's Contract Management Module assists healthcare providers to establish an efficient contract management system and to provide first class care to patients, while reducing operating costs, assuring adherence to compliance requirements, and mitigating risk. By linking the Item Master File to the healthcare providers contract management system and procedures, SCWorx simplifies the way contracts are managed from start to finish by streamlining the processes of creating, routing, reviewing and approving contracts. SCWorx delivers a data warehouse platform which integrates item master management, spend analysis, and contract management. These solutions enable financial staff across the healthcare provider to drill down quickly and deeply into actionable and real-time financial data and key performance indicators to improve revenue realization and staff efficiency. This suite of solutions includes the ability to automatically push price changes to a contract, compliance for standard and non-standard products, contract compliance and optimization reporting, reliable cost data for current and alternate products, cost performance metrics, matching purchase order price to contract and contract repository.

- Request For Proposal ("RFP") Automation — With the reality of shrinking operating margins, increasing operating expenses and decreasing insurance reimbursements, hospitals must evaluate all major expenditures. In addition, requirements for provable quality of service supported by trackable metrics now frequently necessitate the search for better options available in the marketplace. Since hospital-based provider subsidies are often a major expense item and since there are often perceived opportunities for quality improvement, it is a reasonable practice for hospital leadership to carefully evaluate all of their current hospital-based services and associated financial support before each contract renegotiation. The proliferation of large regional and national providers, with their ability to derive benefits from economies of scale, have made RFPs much more of a competitive process. Hospital administrators, however, often rely on poor or conflicting data when creating an RFP. Through the integration and utilization of the SSOT SCWorx automates the RFP process and makes it more accurate. SCWorx automates the core sourcing processes with the intention to accelerate cycle times, surveys and confirms business preferred processes, designs and builds a flow chart for the current and desired workflows, cross references bid analysis, implements bid scoring, customizes software to support automation and customizes the report writer and output documents.

- Integration of Acquired Businesses — The agnostic design of the SCWorx solution enables rapid deployment of a virtual Item Master File to quickly and easily allow combining healthcare providers to share information and achieve cost synergies and interoperability without large and cumbersome upgrades or implementations. During the consolidation of healthcare providers, SCWorx cleans the data and makes the data available to the disparate systems. In addition, M&A activity requires in-depth reporting for comparison of Group Purchasing Organization ("GPO") contract overlap. When healthcare providers that use different GPOs merge, or are acquired, there is a lack of information to compare contracts. SCWorx provides information for comparative purposes to solve these issues rapidly.

- Rebate Management — Frequently, vendors use rebates and incentives as a key part of their pricing strategy and structure when selling to hospitals. This tactic makes pricing more attractive to healthcare providers. When tracked through Accounts Payable, and issued correctly, rebates can help healthcare organization save money. At any large healthcare provider, vendor rebates can be difficult to manage since they require a multi-step process to track dollars earned, credits issued, and monies paid. Rebates frequently cause tracking challenges for Accounts Payable departments. Inconsistent tracking is the primary problem for loss of savings with vendor rebate programs. SCWorx's Rebate Management Module enables healthcare providers to correctly calculate and track rebates provided by healthcare provider vendors. Purchasing or Contracting departments monitor rebates by creating and maintaining a Rebates Master List which is provided to the Accounts Payable department. To assist in this cumbersome process, SCWorx provides information from the SSOT, such as historical data, frequent updates, advanced administrative fee reporting, purchase rebate tracking, early payment/discount management and Vendor Master Data alignment.

- Big Data Analytics Model — SCWorx provides an in-depth, easy-to-use web portal for display, reporting and analysis of the information contained within the SCWorx data warehouse. SCWorx's analytics solution enables healthcare providers to view benchmarking information, quickly add new items to the SSOT and identify cost savings through this real-time and on-demand solution. In addition to simplifying the item add process, SCWorx provides peer comparison reporting against similar healthcare providers and a list of informative reports for business measurement, such as spend trend analysis, contract gap analysis, market price comparison, etc. The SCWorx product line is a simplified user experience and visual display for the hospital employee which does not require access to the SCWorx application.

- Data Integration and Warehousing — Healthcare providers maintain a significant amount of data. In many cases the data is not useful for analytics since the data is held within an individual "silo." SCWorx establishes an expandable, data warehouse of items that have been normalized, repaired and enriched as the SSOT for useful benchmarking, interoperability and analytics. SCWorx's data warehouse allows healthcare providers to effectively use the data contained in their environment and efficiently establish the supply chain as a leading driver of revenue cycle management. The data warehouse is updated as frequently as every five minutes without intervention.

Clients and Strategic Partners

SCWorx continues to provide transformational data-driven solutions to some of the finest, most well-respected healthcare providers in the United States. Clients are geographically dispersed throughout the country and the continued focus is to assist healthcare providers with issues they have pertaining to data interoperability. SCWorx provides these solutions through a combination of direct sales and relationships with strategic partners.

Our major clients include the following hospitals and health care providers: CAPTIS, Vanderbilt University Medical Center, Mercy Health, Providence Health & Services, University of Chicago Medical Center, and the University of Vermont Medical Center, among others.

Competition

SCWorx competes against a variety of vendors and smaller companies which provide solutions in the specific markets we address. Our principal competitors include:

- purchasing departments that have limited budgets and may be attempting to manually repair the item master file;

- large companies with a long list of products and services and small companies which may provide item master normalization and data cleanse services; and

- software companies or service providers, as well as small, specialized vendors, that provide complementary or competitive solutions in benchmarking or data analytics and data warehousing that may compete with our offerings.

Some of our actual and perceived competitors have advantages over us, such as longer operating histories, greater financial, technical, marketing or other resources, stronger brand and business user recognition, larger intellectual property portfolios, broader distribution and presence, and competitive pricing. In addition, our industry is evolving rapidly and is becoming increasingly competitive.

Barriers to entry to this market include technological and application sophistication, the ability to offer a proven product, creating and utilizing a well-established client base and distribution channels, brand recognition, the ability to provide agnostic interoperability and to operate on a variety of MMIS, EMR and financial platforms, the ability to integrate with pre-existing systems and capital for sustained development and marketing activities.

SCWorx believes that these obstacles taken together represent a moderate to high-level barrier to entry. The principal competitive factors in our markets are product features, functionality and support, product depth and breadth (number of items in the central data warehouse), flexibility, ease of deployment and use, total cost of ownership and time to value. We believe that we generally compete favorably on the basis of these factors. For example, besides our agnostic interoperability, additional key strengths include the SCWorx data warehouse, which exceeds 12 million items, SCWorx Big Data analytics and benchmarking.

Contracts, License and Service Fees

SCWorx enters into agreements with its clients that specify the scope of the solution to be installed and/or services to be provided by SCWorx, as well as the agreed-upon aggregate price, applicable duration and the timetable for the associated licenses and services.

For clients purchasing software to be installed locally or provided on a SaaS model, these are multi-element arrangements that include a term license granting the right to access the applicable software functionality (whether installed locally at the client site or the right to use the Company's solutions as a part of SaaS services), terms regarding maintenance and support services, terms for any third-party components such as infrastructure and software, and professional services for implementation, integration, process engineering, optimization and training, as well as fees and payment terms for each of the foregoing. If the client purchases solutions on a long-term license model, the client may be billed the license fee up front or on a monthly or quarterly basis. Maintenance and support are provided on a term basis for separate fees, with an initial term of typically three to five years. The license, maintenance and support fee is charged annually in advance, commencing either upon contract execution or deployment of the solution in live production. If the client purchases solutions on a term-based model, the client is billed periodically a combined access fee for a specified term, typically three to five years in length.

SCWorx also generally provides software and SaaS clients professional services for implementation, integration, process engineering, and optimization and training. These services and the associated fees are separate from the license, maintenance and access fees. Professional services are provided on either a fixed-fee or hourly arrangements billable to clients based on agreed-to payment milestones (fixed fee) or monthly payment structure on hours incurred (hourly). These services can either be included at the time the related SaaS solution is licensed as part of the initial purchase agreement or added on afterward as an addendum to the existing agreement for services required after the initial implementation.

For one-time data normalization services clients, these normalization services are provided either through a stand-alone services agreement or services addendum to an existing master agreement with the client. These normalization services are available as either a one-time service or recurring monthly, quarterly or annual review structure. These services are typically provided on a per item basis. Payment typically occurs upon completion of the applicable normalization project. The commencement of revenue recognition varies depending on the size and complexity of the system and/or services involved, the implementation or performance schedule requested by the client and usage by clients of SaaS for software-based components. SCWorx's agreements are generally non-cancelable but provide that the client may terminate its agreement upon a material breach by SCWorx and/or or may delay certain aspects of the installation or associated payments in such events. SCWorx does allow for termination for convenience in certain situations. SCWorx also includes trial or evaluation periods for certain clients, especially for new or modified solutions. Therefore, it is difficult for SCWorx to accurately predict the revenue it expects to achieve in any particular period, and a termination or installation delay of one or more phases of an agreement, or the failure of SCWorx to procure additional agreements, could have a material adverse effect on SCWorx's business, financial condition, and results of operations. Historically, SCWorx has not experienced a material amount of contract cancellations; however, SCWorx sometimes experiences delays during contract implementation and SCWorx accounts for them accordingly.

Third Party License Fees

SCWorx incorporates software licensed from various third-party vendors into its proprietary software. Stand-alone third-party software is also required to operate certain of SCWorx's proprietary software and/or SaaS services. SCWorx licenses these software products and pays the required license fees when such software is delivered to clients.

CageTix Ticketing Platform

Currently, the majority of paid tickets for regional MMA events is sold by the fighters appearing on the event fight card. Referred to as "fighter consigned" tickets, sales are generally made in face-to-face cash transactions. Our CageTix event ticketing platform allows regional promoters to control the ticketing sales chain. The CageTix platform can provide significant benefits to regional promotions, including the security of credit/debit card sales processing, immediate revenue recognition, and real time sales reporting.

Property

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

In conjunction with the acquisition of SCWorx Corp on February 1, 2019, the Company assumed a lease for office space in Greenwich, Connecticut. The lease expires in March 2020.

Government Regulation

The Company believes that governmental regulation is not material to its ticketing business or SCWorx's business operations.Our MMA events were regulated at the state level by the athletic commission in each state where our promotions are conducted. The commissions are concerned primarily with the introduction and enforcement of safety rules and oversee MMA in much the same way as they do for boxing events.

Intellectual Property

We protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. We control access to our proprietary technology by entering into confidentiality agreements, invention assignment agreements and work for hire agreements with our employees and contractors, and confidentiality agreements with third parties. We further control the use of our proprietary technology and intellectual property through provisions in our websites' terms of use.

Circumstances outside our control could pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available in the United States or other countries in which we seek protection of our marks or our copyrighted works. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights may harm our business or our ability to compete.

Seasonality

We don't believe that SCWorx's revenues are impacted by seasonality.

Our MMA business has historically experienced a negative seasonal impact on revenues during the months of June, July and August when attendance is lower at scheduled events than during the balance of the year. As a result, we generally scheduled fewer events during this period, which resulted in less revenue during these periods compared to other periods during the year.

Employees

As of December 31, 2018, we had 2 employees. As of the closing of the acquisition on February 1, 2019, the Company had 4 employees, of whom 2 are in management and finance and 2 are in operations. We mainly utilize independent contractors for maintenance of our database and customer software installation.

Facilities

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

In November 2016, the Company entered a sublease agreement for office and video production space in Cherry Hill, New Jersey. The lease expires on June 30, 2019. In June 2018, the Company abandoned the Cherry Hill space and in January 2019 negotiated a settlement to exit the sublease.

With the acquisition of Fight Club OC, the Company assumed a lease for office space in Orange County, California. The lease expired in September 2018 and was included in the sale of Fight Club OC.

Legal Proceedings

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

In April and May 2017, two purported securities class action complaints ~~-~~*Shapiro v. Alliance MMA, Inc*., No. 1:17-cv-2583 (D.N.J.), and *Shulman v. Alliance MMA, Inc*., No. 1:17-cv-3282 (S.D.N.Y.)-were filed against the Company and certain of its officers in the United States District Court for the District of New Jersey and the United States District Court for the Southern District of New York, respectively. The complaints alleged that the defendants violated certain provisions of the federal securities laws and purported to seek damages in an amount to be alleged on behalf of a class of shareholders who purchased the Company's common stock pursuant or traceable to the Company's initial public offering. In July 2017, the plaintiffs in the New York action voluntarily dismissed their claim and, on March 8, 2018, the parties reached a settlement to the New Jersey action in which the insurance carrier for our directors and officers liability insurance policy has agreed to cover Alliance's financial obligations under the settlement arrangement, less a deductible of $250,000.

In October 2017, a shareholder derivative claim based on the same facts that were alleged in the class action complaints was filed against the directors of the Company in the District Court for the District New Jersey; however, a complaint was not served on the defendants and, on February 2, 2018 the claim was dismissed by the District Court.

In June 2018, the landlord of our Cherry Hill, New Jersey office filed suit against the Company for non-payment of rent. Currently the Company is in negotiations to settle the remaining payments due under the lease. The Company recorded $167,000 of expense related to the lease within discontinued operations - general and administrative for the cost of the remaining payments under the lease agreement. This amount is accrued for at December 31, 2018 within the current liabilities - discontinued operations balance. In January 2019, the Company entered into a settlement agreement with respect to this litigation, and paid the landlord $75,000 and issued warrants to purchase 20,250 shares of common stock at an exercise price of $3.42 per share.

In June 2018, the Company's former President, Robert Haydak, filed suit against the Company. The Company and Mr. Haydak resolved the suit effective July 2018 with the Company agreeing on a cash settlement of $50,000, and delivery of certain MMA promotion fixed assets. The Company has accrued the settlement as of December 31, 2018 which is included within net loss from discontinued operations, net of tax, and current liabilities - discontinued operations balance. In February 2019, the Company paid Mr. Haydak the $50,000 called for by the settlement agreement and obtained a release of all claims thereunder.

On December 19, 2018, the Company's former Chief Executive Officer ("CEO"), Robert L. Mazzeo, who resigned on May 25, 2018, served a complaint against the Company in the United States District Court for the Sothern District of NY. Mazzeo alleges that he (i) was fraudulently induced to become the CEO of the Company and (ii) entered into an employment contract with the Company and that the Company breached said alleged contract. Mazzeo seeks damages in "excess of $500,000." The Company believes that the lawsuit is frivolous and violative of Rule 11 of the Federal Rules of Civil Procedure. The Company filed an answer to the complaint on February 5, 2019, and, in addition to mounting a vigorous defense, the company has filed a counterclaim against Mazzeo alleging breach of fiduciary duty.

Available Information

Our primary website address is www.scworx.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), are filed with the U.S. Securities and Exchange Commission (SEC). We are subject to the informational requirements of the Exchange Act and file or furnish reports, proxy statements, and other information with the SEC. Such reports and other information filed by us with the SEC are available free of charge on our website at www.scworx.com when such reports become available on the SEC's website. The public may read and copy any materials filed by SCWorx Corp. with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549 on official business days during the hours of 10 a.m. to 3 p.m. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. The contents of the websites referred to above are not incorporated into this filing. Further, our references to the URLs for these websites are intended to be inactive textual references only.

Item 1A. Risk Factors

Certain factors could have a material adverse effect on our business, financial condition, results of operations and prospects. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties of which we are unaware, or that we currently believe are not material, may also become important factors that adversely affect our business, financial condition, results of operations and prospects. If any of the following risks occurs, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment.

We may not be able to maintain sufficient capital to continue as a going concern.

For the year ended December 31, 2018, our revenue was approximately $150,000 and we had a net loss of approximately $14.6 million. For the year ended December 31, 2017, our revenues were approximately $221,000, and we had a net loss of approximately $12.0 million. At December 31, 2018, we had an accumulated deficit of approximately $31.3 million. At December 31, 2018, our ability to continue as a going concern was dependent upon completing the acquisition of SCWorx.

As a result of the recently consummated convertible note and Preferred Stock financings, as of December 19, 2018, the Company had approximately $5.4 million of restricted cash, which under the operative documents was required to be held in reserve pending the closing of the Acquisition. In addition, as of December 31, 2018, SCWorx was required to provide additional advances of $215,000 under the SPA, as amended. These advances were made in January of 2019.

With the completion of the SCWorx acquisition and related financings, the Company currently has approximately $3.0 million in cash on hand. Although the Company has historically generated operating losses and negative operating cash flows, with the completion of the SCWorx acquisition, the Company expects that the combined company will generate operating profits and positive operating cash flows.

The Company believes that these positive operating cash flows, coupled with the cash on hand, are such that, as of the date of this report, the Company has sufficient cash to support the business for at least the one-year period following the date of this report.

A failure by us to establish and maintain effective internal control over financial reporting could have a material adverse effect on our business and operating results.

Maintaining effective internal control over financial reporting is necessary for us to produce accurate and complete financial reports and to help prevent financial fraud. In addition, such control is required in order to maintain the listing of our common stock on the Nasdaq Capital Market. While we have undertaken remedial steps to improve our financial reporting process, including the implementation of a firm-wide accounting information system that collects, stores and processes financial and accounting data on a consolidated basis for use in meeting our reporting obligations, there are no assurances that our internal control over financial reporting has been effective at any time since then. For the year ended December 31, 2018, the Company did not have effective controls over financial reporting. Our management has identified material weakness in our internal controls related to deficiency in the design of internal controls and segregation of duties.

If we are unable to maintain adequate internal controls or fail to correct material weaknesses in such controls noted by our management or our independent registered public accounting firm, our business and operating results could be adversely affected, we could again fail to meet our obligations to report our operating results accurately and completely and our continued listing on the Nasdaq Capital Market could be jeopardized.

Complying with the laws and regulations affecting public companies will increase our costs and the demands on management and could harm our operating results.

As a public company and particularly after we cease to be an "emerging growth company," we incur significant legal, accounting, and other expenses. In addition, the Sarbanes-Oxley Act and rules subsequently implemented by the SEC and the Nasdaq Capital Market impose various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased and will continue to increase our legal, accounting, and financial compliance costs and have made and will continue to make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or to incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or as executive officers.

If we do not manage our growth effectively, our revenue, business and operating results may be harmed.

Our expansion strategy includes the possible acquisitions of other SaaS companies. We may not be able to identify, secure and manage future acquisitions successfully. The acquisition of SCWorx and any future businesses may require a greater than anticipated investment of operational and financial resources as we seek to institute uniform standards and controls across acquired businesses. Acquisitions may also result in the diversion of management and resources, increases in administrative costs, including those relating to the assimilation of new employees, and costs associated with any financings undertaken in connection with such acquisitions. We cannot assure you that any acquisition we undertake, including those we have already made, will be successful. Future growth will also place additional demands on our management, sales, and marketing resources, and may require us to hire and train additional employees. We will need to expand and upgrade our systems and infrastructure to accommodate our growth, and we may not have the resources to do so in the time frames required. The failure to manage our growth effectively will materially and adversely affect our business, financial condition and results of operations.

We may be unable to implement our strategy of acquiring additional companies and such acquisitions may subject us to additional unknown risks.

We may make future acquisitions of SaaS companies in markets that we do not serve now. We may not be able to reach agreements with such companies on favorable terms or at all. In completing acquisitions, we rely upon the representations and warranties and indemnities made by the sellers with respect to each acquisition as well as our own due diligence investigation. We cannot assure you that such representations and warranties will be true and correct or that our due diligence will uncover all materially adverse facts relating to the operations and financial condition of the acquired companies or their businesses. To the extent that we are required to pay for undisclosed obligations of an acquired company, or if material misrepresentations exist, we may not realize the expected economic benefit from such acquisition and our ability to seek legal recourse from the seller may be limited.

The value of our goodwill and other intangible assets declined in 2018.

As of December 31, 2018, there was no goodwill or other intangible assets. In 2018, we recorded intangible assets impairment charges of approximately $231,000. The impairment was identified as part of management's review of impairment indicators during the second quarter. Accordingly, it was determined the recoverable value of the promotion segment was less than the carrying value and therefore, an impairment loss was recorded. We had recorded goodwill in connection with the acquisitions we have made. We expect to record goodwill for future acquisitions. Our other net intangible assets had included venue relationships, ticketing software, trademarks and brands, fighter contracts, promoter relationships and sponsor relationships, at cost less accumulated amortization and impairment, and we amortized such assets using a method reflecting the period(s) in which the economic benefit of the asset is utilized, which we estimated to be three to ten years.

We evaluate goodwill at least annually, and will do so more frequently if events or circumstances indicate that impairment may have occurred. Many of the assumptions and estimates that we make in order to estimate the fair value of our intangible assets directly impact the results of impairment testing, including an estimate of future expected revenues, earnings and cash flows, and the discount rates applied to expected cash flows. We are able to influence the outcome and ultimate results based on the assumptions and estimates we choose for testing. To avoid undue influence, we have set criteria that are followed in making assumptions and estimates. The determination of whether goodwill or acquired intangible assets have become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the value of our reporting unit. Changes in our strategy or market conditions could significantly impact these judgments and require adjustments to recorded amounts of intangible assets.

Future acquisitions may result in potentially dilutive issuances of equity securities, the incurrence of indebtedness and increased amortization expense.

Future acquisitions are likely to result in issuances of equity securities, which will be dilutive to the equity interests of existing stockholders, and may involve the incurrence of debt, which will require us to maintain cash flows sufficient to make payments of principal and interest, the assumption of known and unknown liabilities, and the amortization of expenses related to intangible assets, all of which could have an adverse effect on our business, financial condition and results of operations. For example, the acquisition of SCWorx resulted in a change of control of the Company involving the issuance of approximately 5.3 million post-split adjusted shares of common stock and 190,000 shares of Series A Preferred Stock, convertible into 500,000 post-split adjusted shares of common stock (subject to adjustment), and the issuance of warrants to purchase an additional 250,000 post-split adjusted shares of common stock, at an exercise price of $5.70 per share.

We may become involved in litigation which could harm the value of our business.

Because of the nature of our business and the exit from lines of business, there is a risk of litigation. Any litigation could cause us to incur substantial expenses whether or not we prevail, which would add to our costs and affect the capital available for our operations. For example, we were recently sued by our former CEO.

Economic uncertainty impacts our business and financial results and a renewed recession could materially affect us in the future.

Periods of economic slowdown or recession could lead to a reduction in demand for our software and services, which in turn could reduce our revenues and results of operations and adversely affect our financial position. Our business will be dependent upon business discretionary spending and therefore is affected by business confidence as well as the future performance of the United States and global economies. As a result, our results of operations are susceptible to economic slowdowns and recessions.

We depend on the services of key executives, and the loss of these executives could materially harm our business and our strategic direction if we were unable to replace them with executives of equal experience and capabilities.

Our future success significantly depends on the continued service and performance of our key management personnel, especially our new CEO and SCWorx founder, Marc Schessel. We cannot prevent members of senior management from terminating their employment with us even if we have an employment agreement with them. Losing the services of members of senior management could materially harm our business until a suitable replacement is found, and such replacement may not have equal experience and capabilities. We have not purchased life insurance covering any members of our senior management.

The markets in which we operate are highly competitive, rapidly changing and increasingly fragmented, and we may not be able to compete effectively, especially against competitors with greater financial resources or marketplace presence.

We face competition from other SaaS companies. Many of the companies with which we will compete have greater financial and technical resources than are available to us. Our failure to compete effectively could result in a significant loss of customers, which could adversely affect our operating results.

Our limited operating history makes forecasting our revenues and expenses difficult.

Revenues and operating results are difficult to forecast accurately because of our limited operating history as a combined business, which commenced in February of 2019, and because SCWorx's results generally depend on our ability to secure term service/license agreements, which are subject to varying degrees of uncertainty. As a result, we may be unable to adjust our spending appropriately to compensate for any unexpected revenue shortfall, which may result in substantial losses and a lower market price for our common stock.

We may need additional capital to support our operations or the growth of our business, and we cannot be certain that this capital will be available on reasonable terms when required, or at all.

In order for us to grow and execute our business plan successfully, we may require additional financing which may not be available on acceptable terms or at all. If such financing is available, it may be dilutive to the equity interests of existing stockholders. Failure to obtain financing will have a material adverse effect on our financial position. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support the operation or growth of our business could be significantly impaired and our operating results may be harmed.

If we fail to meet the continued listing standards and corporate governance requirements for Nasdaq Capital Market companies, we may be subject to de-listing.

Our common stock is currently listed on the Nasdaq Capital Market. In order to maintain this listing, we are required to comply with various continued listing standards, including corporate governance requirements, set forth in the Nasdaq Listing Rules. These standards and requirements include, but are not limited to, maintaining a minimum bid price for our common stock, as well as having a majority of our Board members qualify as independent. If we fail to meet any one of these requirements for an extended period of time, we will be subject to possible de-listing.

Our common stock may be affected by limited trading volume and price fluctuations, which could adversely impact the value of our common stock and our ability to grow our business.

There has been limited trading in our common stock and there can be no assurance that an active trading market in our common stock will either develop or be maintained. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations, which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to enter the market periodically in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our common stock will be stable or that our share price will appreciate over time.

Our stock price may be volatile.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- our ability to obtain working capital financing;
- additions or departures of key personnel;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- regulatory developments; and
- economic and other external factors.

In addition, the securities markets from time to time experience significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

The periodic availability of shares for sale upon the expiration of any statutory holding period or lockup agreements, could create a circumstance commonly referred to as an "overhang", in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. We are required under the Series A Preferred Stock documents to register under the Securities Act of 1933 the shares of common stock underlying the preferred stock and related warrants. Once this registration statement goes effective, a substantial number of additional shares of common stock will likely become freely tradable which could adversely affect the trading price of our common stock.

We may be unable to establish, protect or enforce our intellectual property rights adequately.

Our success will depend in part on our ability to establish, protect and enforce our intellectual property and other proprietary rights. Our inability to protect our tradenames, service marks and other intellectual property rights from infringement, piracy, counterfeiting or other unauthorized use could negatively affect our business. If we fail to establish, protect or enforce our intellectual property rights, we may lose an important advantage in the market in which we compete. Our intellectual property rights may not be sufficient to help us maintain our position in the market and our competitive advantages. Monitoring unauthorized uses of and enforcing our intellectual property rights can be difficult and costly. Legal intellectual property actions are inherently uncertain and may not be successful, and may require a substantial amount of resources and management attention.

Changes in laws, regulations and other requirements could adversely affect our business, results of operations or financial condition.

We are subject to the laws, regulations and other requirements of the jurisdictions in which we operate. Changes to these laws could have a material adverse impact on the revenue, profit or the operation of our business.

Disruptions in our information technology systems or security breaches of confidential customer information or personal employee information could have an adverse impact on our operations.

Our operations are dependent upon the integrity, security and consistent operation of various information technology systems and data centers that process transactions, communication systems and various other software applications used throughout our operations. Disruptions in these systems could have an adverse impact on our operations. We could encounter difficulties in developing new systems or maintaining and upgrading existing systems. Such difficulties could lead to significant expenses or to losses due to disruption in our business operations.

In addition, our information technology systems are subject to the risk of infiltration or data theft. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage information technology systems change frequently and may be difficult to detect or prevent over long periods of time. Moreover, the hardware, software or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise the security of our information systems. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud or deception aimed at our employees, contractors or temporary staff. In the event that the security of our information systems is compromised, confidential information could be misappropriated and system disruptions could occur. Any such misappropriation or disruption could cause significant harm to our reputation, lead to a loss of sales or profits or cause us to incur significant costs to reimburse third parties for damages.

Our current insurance policies may not provide adequate levels of coverage against all claims and we may incur losses that are not covered by our insurance.

We believe we maintain insurance coverage that is customary for businesses of our size and type; however, we may be unable to insure against certain types of losses or claims, or the cost of such insurance may be prohibitive. For example, although we carry insurance for breaches of our computer network security, there can be no assurance that such insurance will cover all potential losses or claims or that the dollar limits of such insurance will be sufficient to provide full coverage against all losses or claims. Uninsured losses or claims, if they occur, could have a material adverse effect on our financial condition, business and results of operations.

We may be required to pay for the defense of our clients, officers, or directors in accordance with certain indemnification provisions.

The Company provides indemnification of varying scope to certain customers against claims of intellectual property infringement made by third parties arising from the use of the Company's services. In accordance with authoritative guidance for accounting for guarantees, the Company evaluates estimated losses for such indemnification. The Company considers such factors as the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. To date, no such claims have been filed against the Company and, as a result, no liability has been recorded in the Company's financial statements.

As permitted under Delaware law, the Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has directors' and officers' liability insurance coverage that is intended to reduce its financial exposure and may enable the Company to recover a portion of any such payments.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

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

In November 2016, the Company entered a sublease agreement for office and video production space in Cherry Hill, New Jersey. The lease expires on June 30, 2019. In June 2018, the Company abandoned the Cherry Hill space and in January 2019 negotiated a settlement to exit the sublease. The expected settlement costs were accrued as of December 31, 2018, and included in current liabilities - discontinued operations.

With the acquisition of Fight Club OC, the Company assumed a lease for office space in Orange County, California. The lease expired in September 2018 and was included in the sale of Fight Club OC.

We believe that our facilities are adequate for our current needs.

Item 3. Legal Proceedings

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

In April and May 2017, two purported securities class action complaints-*Shapiro v. Alliance MMA, Inc*., No. 1:17-cv-2583 (D.N.J.), and *Shulman v. Alliance MMA, Inc*., No. 1:17-cv-3282 (S.D.N.Y.)-were filed against the Company and certain of its officers in the United States District Court for the District of New Jersey and the United States District Court for the Southern District of New York, respectively. The complaints alleged that the defendants violated certain provisions of the federal securities laws and purported to seek damages in an amount to be alleged on behalf of a class of shareholders who purchased the Company's common stock pursuant or traceable to the Company's initial public offering. In July 2017, the plaintiffs in the New York action voluntarily dismissed their claim and, on March 8, 2018, the parties reached a settlement to the New Jersey action in which the insurance carrier for our directors and officers liability insurance policy has agreed to cover Alliance's financial obligations under the settlement arrangement, less a deductible of $250,000. The complaint was dismissed in October 2018

In October 2017, a shareholder derivative claim based on the same facts that were alleged in the class action complaints was filed against the directors of the Company in the District Court for the District New Jersey; however, a complaint was not served on the defendants and, on February 2, 2018 the claim was dismissed by the District Court.

In June 2018, the landlord of our Cherry Hill, New Jersey office filed suit against the Company for non-payment of rent. The Company has been in negotiations to settle the remaining payments due under the lease. The Company recorded $167,000 of expense related to the lease within net loss from discontinued operations, net of tax, for the cost of the remaining payments under the lease agreement. This amount is accrued for at December 31, 2018 within the current liabilities - discontinued operations balance. The Company settled this litigation in January 2019 by paying $75,000 in cash and issuing warrants to purchase 20,250 common shares at an exercise price of $3.42 per share.

In June 2018, the Company's former President, Robert Haydak, filed suit against the Company. The Company and Mr. Haydak resolved the suit effective July 2018 with the Company agreeing on a cash settlement of $50,000, and delivery of certain MMA promotion fixed assets. The Company has accrued the settlement as of December 31, 2018 which is included within net loss from discontinued operations, net of tax, and current liabilities - discontinued operations balance. In February 2019, the company paid Mr. Haydak $50,000 and obtained a further release of all claims under the settlement agreement effective July 2018.

On December 19, 2018, the Company's former Chief Executive Officer ("CEO"), Robert L. Mazzeo, who resigned on May 25, 2018, served a complaint against the Company in the United States District Court for the Southern District of NY. Mazzeo alleges that he (i) was fraudulently induced to become the CEO of the Company and (ii) entered into an employment contract with the Company and that the Company breached said alleged contract. Mazzeo seeks damages in "excess of $500,000." The Company believes that the lawsuit is frivolous and violative of Rule 11 of the Federal Rules of Civil Procedure. The Company filed an answer to the complaint on February 5, 2019, and, in addition to mounting a vigorous defense, the Company filed a counterclaim against Mazzeo alleging breach of fiduciary duty.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Our common stock has been listed on the Nasdaq Capital Market under the symbol "AMMA" since October 6, 2016. Our symbol was changed to "WORX" on February 4, 2019 in connection with the closing of the SCWorx acquisition. The following table sets forth for the indicated periods the high and low closing prices for AMMA's pre-stock split adjusted common stock as reported on the NASDAQ Capital Market.

	2018		2017	
	High	Low	High	Low
First Quarter	$ 1.50	$ 0.45	$ 3.97	$ 2.60
Second Quarter	$ 0.62	$ 0.31	$ 2.68	$ 0.89
Third Quarter	$ 0.42	$ 0.16	$ 2.40	$ 0.96
Fourth Quarter	$ 0.38	$ 0.16	$ 2.05	$ 1.16

Holders of Record

As of March 29, 2019, there were 6,563,195 outstanding shares of common stock held by 102 stockholders of record.

Dividends

We have never declared or paid any cash dividends on our shares of common stock, and we do not expect to pay cash dividends in the foreseeable future. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospects and other factors the Board of Directors may deem relevant. Furthermore, our ability to pay dividends is limited by the Delaware General Corporation Law, which provides that a corporation may pay dividends only out of existing "surplus," which is defined as the amount by which a corporation's net assets exceeds its stated capital.

See Note 9 – Stockholder's Equity in the accompanying consolidated financial statements for a non–cash dividend related to the decrease in the exercise price of certain warrants.

Item 6. Selected Financial Data

The Company is a smaller reporting Company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K. In addition to our historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs which involves risk, uncertainty and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in Part I, Item 1A, "Risk Factors."

Overview

As described elsewhere in this Annual Report on Form 10-K, as of December 31, 2018, the Company had disposed of all its MMA promotion businesses and the sports management businesses and has been focused on the operations of CageTix and the closing the SCWorx acquisition and related financing transactions. The acquisition of SCWorx was completed on February 1, 2019. Consequently, the historical discussion contained in our Management's Discussion and Analysis of Financial Condition and Results of Operations is focused on the business of the Company prior to the acquisition of SCWorx, while the forward looking discussions are focused primarily on the business of SCWorx, which is the primary operating business of the Company going forward.

Our Business

Our operations are currently centered on the business of SCWorx, our recently acquired SaaS business. The Company is also maintaining its MMA ticketing platform, CageTix, which generates revenue from ticket services to third party event promoters.

Results of Operations – Alliance MMA

We have had significant events that have occurred in 2018 and 2017 that affect the comparability of our consolidated financial statements. The key events and their financial impacts were due primarily to the exit / disposal of the following businesses:

- CFFC
- HFC
- COGA
- Shogun
- V3
- ITFS
- Fight Time
- NFC
- FCOC
- Victory
- ASM
- GFL
- SuckerPunch

The Company is currently focused on its recently acquired SCWorx, SaaS business, and its CageTix business.

Revenues

Our historical revenue has been derived primarily from ticketing services through CageTix.

The following table presents our historical operating activities and discontinued operations results for the years indicated:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue	$ 150,089	$ 220,709
Gross Margin	150,089	220,709
Operating expenses:		
General and administrative	2,201,412	2,062,229
Impairment – intangible assets	231,037	-
Professional and consulting fees	1,300,939	1,329,539
Total operating expenses	3,733,388	3,391,768
Loss from operations	(3,583,299)	(3,171,059)
Interest expense	258,800	-
Gain on fair value of warrants	(59,000)	-
Loss on fair value of derivatives	4,400	-
Loss from operations before income taxes	(3,787,499)	(3,171,059)
Income tax benefit	-	-
Net loss from continuing operations	(3,787,499)	(3,171,059)
Net loss from discontinued operations, net of tax	(10,804,747)	(8,807,504)
Net loss	$ (14,592,246)	$ (11,978,563)

Revenue for the year ended December 31, 2018 was approximately $150,000, compared to approximately $221,000 for the same period in 2017. The decrease in revenue was primarily related to our limited working capital to support the businesses.

Our future revenues will be derived principally from our new SaaS business, the acquisition of which was consummated on February 1, 2019. As a result, we expect our revenues to grow substantially in 2019 compared to 2018.

Expenses

General and administrative expenses increased approximately $139,000 to $2.2 million for the year ended December 31, 2018, as compared to $2.1 million in the same period of 2017. Salary and wages decreased $73,000 from the reduction in personnel associated with businesses that were disposed of in 2018. Insurance increased by $216,000 due to an increase in D&O insurance. Travel decreased by $213,000 due to the cessation of our promotion and athlete management businesses. Other expenses increased by $188,000 due to interest expense. Stock-based compensation increased by $222,000 related to vesting of equity awards. Interest expense increased to $259,000 due primarily to interest on the SCWorx Convertible Notes and non-cash interest amortization related to the discount associated with derivative liabilities.

Impairment charges decreased approximately $231,000 for the year ended December 31, 2018, compared to a $0 for the same period of 2017, as we impaired remaining intangible assets for a charge of $231,000.

There was no income tax expense for the years ended December 31, 2018 and 2017.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, (the "Tax Act") was enacted. The Tax Act significantly revised the U.S. corporate income tax regime by, including but not limited to, lowering the U.S. corporate income tax rate from 34% to 21% effective January 1, 2018, implementing a territorial tax system, imposing a one-time transition tax on previously untaxed accumulated earnings and profits of foreign subsidiaries, and creating new taxes on foreign sourced earnings.

As of December 31, 2018, the Company completed the accounting for tax effects of the Tax Act under ASC 740. For the year ended December 31, 2017, the Company recorded an adjustment for the reduction of the Company's U.S. corporate income tax rate to 21% effective January 1, 2018. No adjustments related to the federal tax rate reduction were made to the deferred tax liability balance subsequent to December 31, 2017.

Our future expenses will be related principally to our new SaaS business, the acquisition of which was consummated on February 1, 2019. As a result, we expect our expenses to grow substantially in 2019, compared to 2018, as we ramp up our newly acquired SaaS business. In February 2019, the Company granted an aggregate of 425,000 restricted stock units, of which an aggregate 325,000 were granted to management and vest quarterly over the next three years, and 100,000 were issued to a consultant and vest quarterly over one year. The Company will recognize an aggregate $3.2 million of stock based compensation over 36 months from the grant date, $1.5 million of which will be recognized during the first 12 months, with the remaining $1.7 million to be recognized over the next 24 months. The Company also granted an additional 525,000 RSUs which are subject to performance vesting, of which an aggregate of 225,000 were issued to our management and 300,000 were issued to a consultant. The Company will recognize stock based compensation in an amount equal to the product of the number of RSUs vesting and the grant date fair value of $6.47 per share, if and when once it becomes likely that the performance metrics are to be met. See Note 12 - Subsequent Events in the accompanying consolidated financial statements.

Liquidity and Capital Resources

The following discussion of AMMA's Liquidity and Capital Resources with regard to historical sources and uses of cash is not indicative of the future sources and uses of cash by the combined Company after giving effect to the acquisition of SCWorx.

Our operations have generated negative cash flows since inception, Consequently, our primary source of cash has been from the issuance of common stock in conjunction with our Initial Public Offering ("IPO") completed in October 2016, sales of our common stock and warrants to purchase common stock issued in private placements in July, August and October 2017 and in a public offering in January 2018, advances in April and May of 2018 under promissory notes with two of our former board members and a shareholder, and the $1,035,000 of convertible notes financings provided by SCWorx through December 31, 2018.

The Company has signed a number of new customer agreements resulting in approximately $1.9 million of additional revenue anticipated to be recognized in 2019.

SCWorx Convertible Note Financing

On December 18, 2018, the Securities Purchase Agreement with SCWorx dated June 28, 2018 was amended (as amended, the "SPA") to increase the amount SCWorx could purchase by $250,000 to up to $1.25 million, of which $750,000 had previously been funded, leaving an additional $500,000 to be funded. The conversion/exercise price of the additional $500,000 convertible note is $3.80 per share on a post-split adjusted basis.

As of December 31, 2018, pursuant to the SPA, SCWorx had purchased convertible notes in the aggregate amount of $1,035,000, convertible into 180,970 post-split shares (258,598 shares after giving effect to the January 25, 2019 reduction in conversion price to $4.09 per share), and warrants to purchase an aggregate 45,243 shares of common stock. These notes bear interest at 10% per annum, mature one year from the date of issue and are subject to automatic conversion upon consummation of the Company's acquisition of SCWorx. Since December 31, 2018, SCWorx purchased the remaining $215,000 in convertible notes bringing the aggregate amount purchased to $1,250,000, reflected in the SPA.

Series A Preferred Stock Unit Financing

On December 18, 2018, the Company closed $5.5 million in aggregate proceeds from the sale of (i) units comprised of 550,000 shares of convertible preferred stock and warrants to purchase 723,684 post-split shares of common stock (the "Preferred Stock Units"). The face value of the Preferred stock is convertible into shares of common stock at a conversion price of $3.80 per share on a post-split adjusted basis (subject to adjustment) and the warrant exercise price is $5.70 per share. In addition, on February 1, 2019, we issued Preferred Stock Units, comprised of approximately 67,500 shares of convertible Preferred Stock and warrants to purchase 88,816 shares of common stock to certain of our creditors in satisfaction of approximately $676,000 of indebtedness.

The amount of cash raised from sale of Preferred Stock Units was required to be kept in a reserve account pending the closing of the Acquisition. On February 1, 2019, the closing of the SCWorx acquisition, these funds were released and available to fund the business of the newly combined company.

As a result of the recent convertible notes and Preferred Stock financing, as of the date of this Report, we have approximately $3.0 million in cash on hand.

During the year ended December 31, 2018, our principal uses of cash consisted of paying for operating expenses and outstanding payables.

As disclosed above, in conjunction with the common stock offering completed in January 2018, the Company issued warrants with a provision requiring the Company to pay the warrant holder the Black-Scholes value of the warrant upon a fundamental transaction. On August 20, 2018, the Company entered into the SEA with SCWorx which upon closing qualified as a fundamental transaction within meaning of the warrant agreement. For illustration purposes only, given the stock price at announcement of approximately $4.40, the Black - Scholes value was approximately $2.68 per share based upon today's volatility and risk-free interest rate. As of the date hereof, there were approximately 56,000 (post-split) warrants outstanding which are subject to this Black - Scholes payout provision.

	Year Ended	
	2018	**2017**
Consolidated cash flows data:		
Net cash used in operating activities	$ (3,578,445)	$ (5,828,277)
Net cash used in investing activities	(21,849)	(1,008,950)
Net cash provided by financing activities	8,988,457	2,312,500
Net increase (decrease) in cash and restricted cash	$ 5,388,163	$ (4,524,727)

The operations of the Company through December 31, 2018 have resulted in losses. Beginning in the first quarter of 2018, the Company began a cost reduction plan resulting in the termination of employment of a number of executives and other personnel, renegotiating or terminating contracts and similar cost cutting activities. Given the acquisition of SCWorx, management believes that the Company has increased liquidity and will begin to generate positive operating cash flows during 2019 with the completion of the SCWorx acquisition.

Operating Activities

Net cash used in operating activities from continuing operations was $5.2 million for the year ended December 31, 2017, mainly related to the net loss of $12.0 million, discontinued operations loss of $5.6 million, non-cash stock-based compensation of $517,000 related to various equity awards to employees and non-employees, and increase in accounts payable and accrued liabilities of $670,000.

Net cash used in operating activities from discontinued operations was $671,000 for the year ended December 31, 2017, mainly related to payments in discontinued operations liabilities.

Net cash used in operating activities from continuing operations was $2.6 million for the year ended December 31, 2018, mainly related to the net loss of $14.6 million, discontinued operations loss of $10.8 million, increase in prepaid expenses of $200,000, non-cash impairment charge of $231,037 related to acquired intangible assets, non-cash amortization of $41,000 related to acquired intangible assets, non-cash stock-based compensation of $739,000 related to various equity awards to employees and non-employees, non-cash payment on legal invoices of $136,500 and an increase in accounts payable of $246,000.

Given the acquisition of SCWorx, management believes that the Company will begin to generate net income and positive operating cash flows during 2019.

Investing Activities

Net cash used in investing activities was $1.0 million for the year ended December 31, 2017, related to the acquisitions of Sucker Punch, Fight Time, NFC, Fight Club OC, Victory Fighting Championship and Sheffield video library assets totaling $835,000 in the aggregate and capital assets of $165,000.

Net cash used in investing activities was approximately $22,000 for the year ended December 31, 2018.

We expect cash used in investing activities to increase during 2019, compared to 2018, as a result of the acquisition of SCWorx, and development of new SaaS based products.

Financing Activities

Net cash provided by financing activities was $2.3 million for the year ended December 31, 2017, primarily related to the sale of common stock and warrants to purchase common stock with proceeds of $2.0 million, and $300,000 from borrowings from notes payable.

Cash provided by financing activities was $9.0 million for the year ended December 31, 2018, primarily related to the proceeds from the sale of common stock, warrants to purchase common stock totaling $2.3 million. In addition, we received proceeds from notes payable, less repayments, of $1.2 million. In addition, $5.5 million of restricted cash was received in relation to the Series A preferred stock sale in December 2018, that was released to the Company in February of 2019. The Company capitalized $100,000 of deal related expenses in connection with the Preferred stock offering.

Currently, we do not expect our financing activities to be a significant source of cash in 2019.

Contractual Cash Obligations

See Note 8— Commitments and Contingencies in the accompanying Consolidated Financial Statements for additional detail.

Off-Balance Sheet Arrangements

As of December 31, 2018, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our consolidated financial condition and results of operations are based upon our consolidated financial statements. These consolidated financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States which requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. By their nature, these estimates and judgments are subject to an inherent degree of uncertainty. We evaluate our estimates based on our historical experience and various other assumptions that are believed to be reasonable under the circumstances. These estimates relate to revenue recognition, the assessment of recoverability of goodwill and intangible assets, range of possible outcomes of acquisition earn-out accruals, the assessment of useful lives and the recoverability of property, plant and equipment, the valuation and recognition of stock-based compensation expense, recognition and measurement of deferred income tax assets and liabilities, the assessment of unrecognized tax benefits, and others. Actual results could differ from those estimates, and material effects on our consolidated operating results and consolidated financial position may result. See Note 3–Summary of Significant Accounting Policies in the accompanying Consolidated Financial Statements, for a full description of our accounting policies.

Revenue Recognition

Ticket Service Revenue (Current Operations)

The Company acts as a ticket agent for third-party ticket sales and charges a fee per transaction for collecting the cash on ticket sales and remits the remaining net amount to the third-party promoter upon completion of the event or request from the promoter. The Company's ticket service fee is recognized on a net basis, when it satisfies the performance obligation by transferring control of the purchased ticket to a customer.

Promotion Revenue (Discontinued Operations)

The Company recognized revenue, net of sales tax, when it satisfied a performance obligation by transferring control over a product or service to a customer. Revenue from admission, sponsorship, pay per view ("PPV"), apparel, and concession were recognized at a point in time when an event was exhibited to a customer live or PPV, and when a customer took possession of apparel or food and beverage offerings. Promotion revenue is a component of discontinued operations.

Fighter Commission Revenue (Discontinued Operations)

The Company recognized revenue when it satisfied a performance obligation by transferring control over a product or service to a customer. The Company recognized commission revenue upon the completion of a contracted athlete's performance.

Business Combinations

The Company includes the results of operations of the businesses that it has acquired in its consolidated results as of the respective dates of acquisition.

The Company allocates the fair value of the purchase consideration of its acquisitions to the tangible assets, liabilities and intangible assets acquired, based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. The primary items that generate goodwill include the value of the synergies between the acquired businesses and Alliance as well as the acquired assembled workforce, neither of which qualifies as an identifiable intangible asset. The fair value of contingent consideration associated with acquisitions is remeasured each reporting period and adjusted accordingly. Acquisition and integration related costs are recognized separately from the business combination and are expensed as incurred.

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired under a business combination. Goodwill also includes acquired assembled workforce, which does not qualify as an identifiable intangible asset. The Company reviews impairment of goodwill annually in the fourth quarter, or more frequently if events or circumstances indicate that the goodwill might be impaired. The Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is unnecessary. If, based on the qualitative assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the Company proceeds to perform the quantitative goodwill impairment test. The Company first determines the fair value of a reporting unit using weighted results derived from an income approach and a market approach. The income approach is estimated through the discounted cash flow method based on assumptions about future conditions such as future revenue growth rates, new product and technology introductions, gross margins, operating expenses, discount rates, future economic and market conditions, and other assumptions. The market approach estimates the fair value of the Company's equity by utilizing the market comparable method which is based on revenue multiples from comparable companies in similar lines of business. The Company then compares the derived fair value of a reporting unit with its carrying amount. If the carrying value of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

For the year ended December 31, 2017, the Company recorded a goodwill impairment of $2.4 million within the Company's discontinued operations in relation to the GFL and Fight Time reporting units. For the year ended December 31, 2018, the Company Recorded a goodwill impairment of $5.9 million as a component of the Company's discontinued operations related to the remaining MMA promotions and Athlete management business. The Company had no goodwill at December 31, 2018.

Purchased Identified Intangible Assets

Identified finite-lived intangible assets consisted of acquired video library intellectual property, venue contracts/relationships, ticketing software, tradenames, fighter contracts, promoter relationships and sponsor relationships resulting from business combinations. The Company's identified intangible assets were amortized on a straight-line basis over their estimated useful lives, ranging from two to ten years. The Company makes judgments about the recoverability of finite-lived intangible assets whenever facts and circumstances indicate that the useful life is shorter than originally estimated or that the carrying amount of assets may not be recoverable. If such facts and circumstances exist, the Company assesses recoverability by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairments, if any, are based on the excess of the carrying amount over the fair value of those assets. If the useful life is shorter than originally estimated, the Company would accelerate the rate of amortization and amortize the remaining carrying value over the new shorter useful life. The Company evaluates the carrying value of indefinite-lived intangible assets on an annual basis, and an impairment charge would be recognized to the extent that the carrying amount of such assets exceeds their estimated fair value. For further discussion of goodwill and identified intangible assets, see Note 6–Goodwill and Purchased Identified Intangible Assets.

For the year ended December 31, 2018, the Company recorded an intangible assets impairment of approximately $231,000 related to its MMA ticketing service business, and approximately $182,546 related to the athlete management business recorded as a component of net loss from discontinued operations, net of tax.

For the year ended December 31, 2017, the Company recorded an intangible impairment of $893,000 related to the impairment of all video library assets acquired from GFL, the promotion businesses, and asset purchases, as well as the venue relationship and trade-name of the Fight Time Promotion. This expense is included as a component of net loss from discontinued operations, net of tax.

Loss Contingencies

The Company records a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If we determine that a loss is reasonably possible and the loss or range of loss can be estimated, the Company discloses the possible loss in the notes to the consolidated financial statements. The Company reviews the developments in our contingencies that could affect the amount of the provisions that has been previously recorded, and the matters and related possible losses disclosed. The Company makes adjustments to our provisions and changes to our disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability and the estimated amount.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with the authoritative guidance on share-based payments. The Company early adopted Accounting Standard Update ("ASU") No. 2017-11, Earnings per share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815). Under the provisions of the guidance, stock-based compensation expense is measured at the grant date based on the fair value of the option or warrant using a Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period. The fair value of the Company's stock awards for non-employees is estimated based on the fair market value on each vesting date, accounted for under the variable-accounting method.

The authoritative guidance on share-based payments also requires that the Company measure and recognize stock-based compensation expense upon modification of the term of the stock award. The stock-based compensation expense for such modification is the sum of any unamortized expense of the award before modification and the modification expense. The modification expense is the incremental amount of the fair value of the award before the modification and the fair value of the award after the modification, measured on the date of modification. In the case when the modification results in a longer requisite period than in the original award, the Company has elected to apply the pool method where the aggregate of the unamortized expense and the modification expense is amortized over the new requisite period on a straight-line basis. In addition, any forfeiture will be based on the original requisite period prior to the modification.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with Accounting Standard Codification ("ASC") Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date.

A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company has no material uncertain tax positions for any of the reporting periods presented.

Recent Accounting Pronouncements

See Note 3 — Recently Issued Accounting Pronouncements in the accompanying consolidated financial statements for a full description of recent accounting pronouncements including the respective expected dates of adoption.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements are included in Part IV, Item 15 (a) (1) of this Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Management's Conclusions Regarding Effectiveness of Disclosure Controls and Procedures

Management conducted an evaluation of the effectiveness of our "disclosure controls and procedures" ("Disclosure Controls"), as defined by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2018, the end of the period covered by this Annual Report on Form 10-K, as required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act. The Disclosure Controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, based on the 2013 framework and criteria established by the Committee of Sponsoring Organizations of the Treadway Commission. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, due to deficiencies in the design of internal controls and lack of segregation of duties, our Disclosure Controls were not effective as of December 31, 2018, such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding disclosure.

Management Report on Internal Controls over Financial Reporting

Our management has identified material weaknesses in our internal controls related to deficiencies in the design of internal controls and segregation of duties. Management is planning to meet with the Audit Committee to discuss remediation efforts, which are expected to be resolved during 2019, or until such time as management is able to conclude that its remediation efforts are designed and operating effectively.

Notwithstanding the foregoing, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that the consolidated financial statements included in this Annual Report on Form 10-K present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

We may in the future identify other material weaknesses or significant deficiencies in connection with our internal control over financial reporting. Material weaknesses and significant deficiencies that may be identified in the future will need to be addressed as part of our quarterly and annual evaluations of our internal controls over financial reporting under Sections 302 and 404 of the Sarbanes-Oxley Act. Any future disclosures of a material weakness, or errors as a result of a material weakness, could result in a negative reaction in the financial markets and a decrease in the price of our common stock.

Changes in Internal Control over Financial Reporting.

During the quarter ended December 31, 2018, there was no change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The following table presents information with respect to our officers, directors and significant employees as of the date of filing of this Report:

Name	Age	Position(s)
Current		
Marc S. Schessel	56	Chief Executive Officer and Chairman of the Board of Directors
John Price	49	Chief Financial Officer, Treasurer and Secretary
Ira Ritter	70	Director
Frank Knuettel II	52	Director
Charles K. Miller	58	Director
Robert Christie	65	Director

Background of officers and directors

The following is a brief account of the education and business experience during at least the past five years of our officers and directors, indicating each person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Marc S. Schessel

Mr. Schessel, 56, is SCWorx's founder and Chairman and Chief Executive Officer. He founded SCWorx's predecessor (Primrose LLC) in 2012 and has been Chairman and CEO of SCWorx since then. Commencing his work in Supply Chain during his ten years in the Marine Corps, Marc was awarded the Naval Achievement medal along with the Naval Commendation medal for services rendered in creating the first automated supply and logistics software (M triple S) which was ultimately put in service at leading corporations such as Sears and IBM. Since leaving the Marine Corps, Marc has continued his work in refining programmatic solutions for the most complex and critical supply chains in the country — the healthcare industry. Working in all facets of the Healthcare Supply Chain, Marc spent over ten years as a Vice President of Supply Chain for a large NYC based Integrated Delivery Network before forming his own consultancy — focused on delivering automated solutions to Providers, B2B e-commerce companies (GHX), tier one consulting firms, GPO's, distributors, payors and manufacturers. Marc also served as a consultant to the UN — developing an automated Emergency Medical Response program that, based on the event, forecasts the items, quantities and logistical delivery networks crucial for responders, allowing countries by region to better plan, stock and store critical supplies.

John Price

Mr. Price, 49, was President until the closing of the SCWorx acquisition, and remains Chief Financial Officer of the Company. He became President on June 6, 2018 and CFO in August 2016. Prior to joining the Company in 2016, Mr. Price was Chief Financial Officer of MusclePharm Corporation, a publicly-traded nutritional supplement company. Prior to joining MusclePharm in 2013, Mr. Price served as vice president of finance — North America at Opera Software, a Norwegian public company focused on digital advertising. From 2011 to 2013, he served as vice president of finance and corporate controller GCT Semiconductor. From 2004 to 2011, Mr. Price served in various roles at Tessera Technologies including VP of Finance & Corporate Controller. Prior to Tessera Technologies, Mr. Price served various roles at Ernst &Young LLP, now EY. Mr. Price served nearly three years in the San Jose, California office and nearly five years in the Pittsburgh, Pennsylvania office of EY. Mr. Price has been a certified public accountant (currently inactive) since 2000 and attended Pennsylvania State University, where he earned a Bachelor of Science Degree in Accounting.

Ira Ritter

Mr. Ritter, 70, has extensive experience creating, building and managing diverse business enterprises. In 2004, Mr. Ritter co-founded Ritter Pharmaceuticals, of which he has since been Chief Strategic Officer and Chairman of the Board of Directors. The company went public on the Nasdaq in 2015. He served on the Board of Vitavis Laboratories Inc., a biotechnology firm, from 2014 until it was sold in 2017. In addition, he has provided corporate management, strategic planning and financial consulting for a wide range of market segments. In the health and beauty sector, Mr. Ritter was President and Vice-Chairman of Quality King Inc, distributor for health care products with $5 billion in annual revenues (ranked the 18th largest privately held company, Forbes Top 100 List). Simultaneously, he worked as President and Chairman of Rockwood, a business he developed that produced private label HBA products for major national retailers including GNC and K-Mart. In the entertainment sector he served as Chairman of ON-TV, a division of Oak Industries (NYSE Company), where he managed the television division initiating exclusive broadcasts of Los Angeles, Chicago, and New York professional baseball, basketball, and hockey games. During 1980 – 1985, he produced the first televised home shopping program and directed development of the largest “pay-per-view” channel system for its time. In the finance field, Mr. Ritter served on the board of directors for the Martin Lawrence Art Galleries (NYSE Company). During his 20 years as a publisher, he produced best-selling monthly national consumer magazines and books. He has a long history of public service that includes appointments by three Governors to several State of California Commissions, including eight years served as Commissioner on the California Prison Industry Authority. In 1981, Mr. Ritter was honored with the City of Hope’s Man of the Year award. He serves on the Advisory Board of Pepperdine University's Graziadio School of Business, Department of Social Entrepreneurship. And, he has been a guest lecturer at USC Marshall Business School.

Frank Knuettel II

Mr. Knuettel, 52, is the Chief Strategy Officer of MJardin Group, Inc., a global Canadian based cannabis management platform with extensive experience in cultivation, processing, distribution and retail (MJAR). He started at MJardin as CFO, where he managed the public listing on the Canadian Securities Exchange and helped orchestrate the merger leading to his current position. Prior to joining MJardin, he held numerous CFO positions at public companies, including Aqua Metals, Inc. (AQMS), a hydrometallurgical lead recycling operation, and Marathon Patent Group, Inc. (MARA), a patent licensing and enforcement business. Prior to joining Marathon, Mr. Knuettel served as the Chief Financial Officer of IP Commerce, Inc., a cloud-based operator of an electronic payment platform. Additionally, Mr. Knuettel has held numerous board positions, at both public companies and non-profit institutions. Mr. Knuettel received his BA with honors in Economics from Tufts University and holds an MBA in Finance and Entrepreneurial Management from The Wharton School at the University of Pennsylvania.

Charles K. Miller

Mr. Miller, 58, joined the Company’s board on October 24, 2018. He has been a member of the board of directors of Intercloud Systems, Inc., a publicly traded IT infrastructure services company, since November 2012. In addition, he has, since June 2017, acted as an independent business consultant. He was the Chief Financial Officer of Tekmark Global Solutions, LLC, a provider of information technology, communications and consulting services, from September 1997 until June 2017. Since May 2017, he has been a director of Notis Global, Inc., a diversified holding company, in the industrial hemp industry, that manufactures, markets and sells hemp derivative products such as cannabidiol (“CBD”) distillate and isolate. Mr. Miller graduated from Rider University with a Bachelor of Science in Accounting and an MBA. Mr. Miller is a Certified Public Accountant and boasts more than three decades of experience.

Robert Christie

Mr. Christie, 65, from 2004 through 2014, was the President and CEO of The 3E Company, the leading Global Environmental Compliance Company in the world. With over 7,000 customers, 3E helped companies, throughout the world, manage the ever changing environmental regulations that effected their products and services. 3E utilizes a SaaS based software and complex regulatory database to service its customers. Since 2015, Mr. Christie has been consulting for various Private Equity firms throughout North America assisting them in acquiring companies in the Governance, Risk and Compliance space (GRC) as well as the Supply Chain marketplace. In addition, he has since 2010 served as a Trustee at Rider University. He also serves on the Facility, Business Development and Executive Committees at Rider. Since 2008, Mr. Christie has served as a Director at Alternative Technology, a supplier of distribution systems and technology. Since 2016, he has served on the Board of Directors of Enterknol LLC. Enterknol is a SaaS based compliance solution within the Energy Sector helping various energy companies buy and sell energy competitively. Mr. Christie also served as a Director at Ithos LLC from 2016 through July 2018. Ithos is a the leading regulatory and Supply Chain compliance solution within the Global Cosmetic space providing a complex SaaS based software coupled with regulatory data. While serving as a Director at Ithos, he also served as their Director of Development.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and also to other employees. Our Code of Business Conduct can be found on the Company's website at www.scworx.com.

Family Relationships

There are no family relationships between any of our directors, executive officers or significant employees.

Involvement in Certain Legal Proceedings

During the past ten years, none of our officers, directors, significant employees or control persons have been involved in any legal proceedings as described in Item 401(f) of Regulation S-K.

Board Composition

The Board of Directors consists of five directors. Each director will serve in office until our 2019 annual meeting of stockholders or until their successors have been duly elected and qualified, or until the earlier of their respective deaths, resignations, or retirements.

Our certificate of incorporation provides that that the number of authorized directors will be determined in accordance with our bylaws. Our bylaws provide that the number of authorized directors shall be determined from time to time by a resolution of the Board of Directors and any vacancies in our board and newly created directorships may be filled only by our Board of Directors.

Term of Office

All of our directors are elected on an annual basis to serve until the next annual meeting of shareholders or until their earlier death, resignation or removal.

Committees of the Board of Directors

Our Board of Directors has established an audit committee, a compensation committee and a nominating and governance committee. Each of these committees will operate under a charter that has been approved by our Board of Directors.

Audit Committee

The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee has authority to review our financial records, engage with our independent auditors, recommend policies with respect to financial reporting to the Board of Directors and investigate all aspects of our business. The members of the audit committee are Mr. Miller, Mr. Christie, Mr. Ritter and Mr. Knuettel. The audit committee consists exclusively of directors who are financially literate. In addition, Mr. Miller will be considered an "audit committee financial expert" as defined by the SEC's rules and regulations. All members of the Audit Committee currently satisfy the independence requirements and other established criteria of Nasdaq.

Compensation Committee

The Compensation Committee oversees our executive compensation and recommends various incentives for key employees to encourage and reward increased corporate financial performance, productivity and innovation. The members of the compensation committee are Mr. Miller, Mr. Christie, Mr. Ritter and Mr. Knuettel.

Nominating and Governance Committee

The Nominating and Corporate Governance Committee identifies and nominates candidates for membership on the Board of Directors, oversees Board of Directors' committees, advises the Board of Directors on corporate governance matters and any related matters required by the federal securities laws. The members of the Nominating Committee are Mr. Miller, Mr. Christie, Mr. Ritter and Mr. Knuettel, and all currently satisfy the independence requirements and other established criteria of Nasdaq.

The Nominating and Governance Committee will consider stockholder recommendations for candidates for the Board of Directors.

Our bylaws provide that, in order for a stockholder's nomination of a candidate for the board to be properly brought before an annual meeting of the stockholders, the stockholder's nomination must be delivered to the Secretary of the company no later than 120 days prior to the one-year anniversary date of the prior year's annual meeting.

Charters for all three committees are available on our website at www.scworx.com.

Changes in Nominating Procedures

None.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who beneficially own more than 10% of a registered class of our equity securities to file with the SEC initial statements of beneficial ownership, statements of changes in beneficial ownership and annual statements of changes in beneficial ownership with respect to their ownership of the Company's securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of the copies of such reports received by us, and on written representations by our officers and directors regarding their compliance with the applicable reporting requirements under Section 16(a) of the Exchange Act, and without conducting an independent investigation of our own, we believe that with respect to the fiscal year ended December 31, 2018, our officers and directors, and all of the persons known to us to beneficially own more than 10% of our common stock filed all required reports on a timely basis except as follows: Burt Watson made two late filings, each reporting a single transaction, Joe Gamberale made one late filing, reporting a single transaction, and failed to file a report with regard to a single transaction, Joel Tracy failed to file a report with regard to a single transaction, Charles Miller made one late filing, reporting a single transaction, and John Price made two late filings, each with regard to a single transaction, and failed to file a report with regard to a single transaction.

Item 11. Executive Compensation

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during 2018 and 2017 awarded to, earned by or paid to our executive officers. Since this table relates to 2017 and 2018, it does not specify the compensation of the persons who became executive officers in connection with the acquisition of SCWorx, effective February 1, 2019. The value attributable to any option awards and stock awards reflects the grant date fair values of stock awards calculated in accordance with FASB Accounting Standards Codification Topic 718. As described further in Note 9 - Stockholders' Equity to our consolidated year-end financial statements, the assumptions made in the valuation of these option awards and stock awards is set forth therein.

Name and Principal Position	Year	Salary ($)	Bonus Payments ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Plan Compensation ($)	All Other Compensation ($)	Total ($)
Current								
John Price (1)	2018	175,000	25,000	—	122,316	—	—	322,316
Chief Financial Officer	2017	175,000	100,000	—	—	—	—	275,000
Former								
Paul K. Danner, III (2)	2018	58,333	—	—	—	—	—	58,333
Former CEO, Chairman	2017	179,375	—	—	—	—	—	179,375
Robert L. Mazzeo (3)	2018	—	—	—	—	—	90,000	90,000
Former CEO	2017	—	—	—	77,500	—	200,545	278,045
Ira S. Rainess (4)	2018	50,000	—	—	38,500	—	10,000	98,500
Former President	2017	75,462	10,000	—	53,306	—	12,500	151,268
Robert Haydak (5)	2018	21,904	—	—	—	—	50,000	71,904
Former President	2017	170,000	—	—	—	—	—	170,000

(1) Mr. Price was appointed CFO on August 3, 2016 and was President from June 2018 until February 1, 2019.

(2) Mr. Danner was appointed CEO on May 11, 2016 and resigned as CEO on February 7, 2018.

(3) Mr. Mazzeo was appointed CEO on February 7, 2018 and resigned on May 25, 2018. Prior to this date, Mr. Mazzeo served as legal counsel and received monthly legal consulting fees which are included in All Other Compensation.

(4) Mr. Rainess was hired as Executive Vice President, Business Affairs on May 15, 2017, appointed President on February 15, 2018 and the Company terminated his employment agreement on December 24, 2018. Previously, Mr. Rainess served as an independent consultant and received monthly legal consulting fees which are included in All Other Compensation.

(5) Mr. Haydak was appointed President on September 30, 2016. On February 7, 2018, the Company terminated Mr. Haydak's employment agreement and agreed to pay Mr. Haydak $50,000 of cash and return the CFFC promotion and certain fixed assets to Mr. Haydak.

Employment Agreements

Current

On August 3, 2016, we entered into an employment agreement with John Price (the "Price Employment Agreement"), whereby Mr. Price agreed to serve as our Chief Financial Officer for a period of three years, subject to renewal, in consideration for an annual salary of $175,000. Additionally, under the terms of the Price Employment Agreement, Mr. Price was eligible for merit-based increases to his compensation as established by the Board of Directors in its sole discretion. The Price Employment Agreement also provided for discretionary performance-based bonuses provided that in his first year of employment the bonus totaled $25,000 per quarter. In connection with the acquisition of SCWorx, (i) this Agreement was terminated, and the Company and Mr. Price entered into a new employment agreement, all effective February 1, 2019 and (ii) the company entered into an employment agreement with Marc S. Schessel, the CEO of the Company.

Directors' Compensation

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during 2018 and 2017 awarded to, earned by or paid to our directors. The value attributable to any stock option awards reflects the grant date fair values of stock awards calculated in accordance with ASC Topic 718.

Name	Year	Fees Earned or paid in cash ($)	Stock awards ($)	Option awards ($)	Non-equity incentive plan compensation ($)	Non-qualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
Current								
Joseph Gamberale (1)	2018	—	—	93,175	—	—	—	93,175
Director	2017	—	—	—	—	—	—	—
Charles K. Miller (6)	2018	—	17,039	—	—	—	—	17,039
Director	2017	—	—	—	—	—	—	—
Joel D. Tracy (3)	2018	—	—	38,175	—	—	—	38,175
Director	2017	—	—	—	—	—	—	—
Burt Watson (4)	2018	56,400	—	57,263	—	—	50,000	163,663
Director	2017	133,200	—	—	—	—	—	133,200
Former								
Mark D. Shefts (5)	2018	—	—	—	—	—	—	—
Former Director	2017	—	—	—	—	—	—	—
Renzo Gracie (2)	2018	—	—	—	—	—	—	—
Former Director	2017	—	—	—	—	—	—	—

(1) Joseph Gamberale was appointed as a Director on February 12, 2015, and resigned on February 1, 2019.

(2) Renzo Gracie was appointed as a Director on September 30, 2016, and resigned on May 23, 2018.

(3) Joel Tracy was appointed as a Director on September 30, 2016, and resigned on February 1, 2019.

(4) Burt Watson was appointed as a Director on September 30, 2016, and resigned on February 1, 2019.

(5) Mark Shefts was appointed as a Director on September 30, 2016 and resigned on October 24, 2017.

(6) Charles K. Miller was appointed as a Director on October 24, 2018.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 29, 2019: (i) by each of our directors, (ii) by each of the named executive officers, (iii) by all of our executive officers and directors as a group, and (iv) by each person or entity known by us to beneficially own more than five percent (5%) of any class of our outstanding shares. As of March 29, 2019, there were 6,563,195 split adjusted shares of our common stock outstanding.

Amount and Nature of Beneficial Ownership as of March 29, 2019 (1)
(split adjusted)

Named Executive Officers and Directors	Common Stock	Options/ Warrants	Total	Percentage Ownership
Current (as of February 1, 2019)				
Marc Schessel	1,032,606	—	1,032,606	15.7
John Price	—	34,211	34,211	*
Ira Ritter	—	—	—	*
Frank Knuettel II	—	—	—	*
Charles K. Miller	3,289	—	3,289	*
Robert Christie	—	—	—	*
Directors and Executive Officers as a Group (6 persons)	1,035,895	34,211	1,070,106	16.3
Former				
Robert L. Mazzeo	—	6,579	6,579	*
Ira S. Rainess	—	23,686	23,686	*
Paul K. Danner, III	7,895	—	7,895	*
Joseph Gamberale (2)	32,694	261,078	293,772	4.5
Renzo Gracie	3,509	—	3,509	*
Joel D. Tracy (3)	17,645	8,994	26,639	*
Burt Watson	878	—	878	*
Robert J. Haydak, Jr (4)	13,571	—	13,571	*
Mark D. Shefts (5)	45,988	25,154	71,142	*

* Represents beneficial ownership of less than 1% of our outstanding stock.

(1) In determining beneficial ownership of our common stock as of a given date, the number of shares shown includes shares of common stock that may be acquired upon the exercise of stock options within 60 days of March 30, 2019. In determining the percent of common stock owned by a person or entity on March 30, 2019, (a) the numerator is the number of shares of the class beneficially owned by such person or entity, including shares which may be acquired within 60 days of March 30, 2019 upon the exercise of stock options, and (b) the denominator is the sum of (i) the total shares of common stock outstanding on March 30, 2019 and (ii) the total number of shares that the beneficial owner may acquire upon exercise of stock options within 60 days of March 30, 2019. Unless otherwise indicated, the address of each of the individuals and entities named below is c/o SCWorx Corp., 590 Madison Avenue, 21 st Floor, New York, New York 10022.

(2) Of the 32,694 common shares, 13,781 shares are held directly and 18,913 shares held by Ivy Equity Investor, LLC., which is controlled by Mr. Gamberale. The address of Ivy Equity Investors, LLC is 2 East 55th Street, Suite 1111, New York, New York 10022. The 261,078 shares includes the right to acquire 151,502 shares upon conversion of Series A Preferred Stock, 75,751 shares upon exercise of warrants related to the Series A Preferred stock and 33,825 shares issuable upon exercise of options.

(3) In addition to the 9,730 shares of common stock held directly, also includes 7,895 shares of common stock held by a relation of Mr. Tracy. Mr. Tracy has voting and disposition power over the shares.

(4) In addition to the 5,439 shares of common stock held directly, also includes 8,132 shares of common stock held by the BRH Trust. The sole trustee of the BRH Trust is Mr. Haydak's spouse, Maria Haydak. The sole beneficiary of the BRH Trust is Mr. Haydak's minor child. Mr. Haydak disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

(5) In addition to the 11,704 shares of common stock held directly, also includes 7,968 shares held by the Rushcap Group, Inc., of which Mr. Shefts and his spouse, Wanda Shefts, are the sole stockholders. Mr. Shefts has voting and dispositive power over the shares held by the Rushcap Group, Inc.

Employee Grants of Plan Based Awards and Outstanding Equity Awards at Fiscal Year-End

Prior to the completion of our initial public offering, our Board of Directors adopted the Alliance MMA 2016 Equity Incentive Plan (the "2016 Plan") pursuant to which the Company may grant shares of our common stock to the Company's directors, officers, employees or consultants. Our stockholders approved the 2016 Plan at our annual meeting of stockholders held September 1, 2017, and on January 30, 2019 approved the addition of 3,000,000 post-split shares to be added to the 2016 Plan. Unless earlier terminated by the Board of Directors, the 2016 plan will terminate, and no further awards may be granted, after July 30, 2026.

As of December 31, 2018, the following sets forth the stock option awards to officers of the Company.

Outstanding Equity Awards at December 31, 2018 (split adjusted)

	Equity Awards					
	Equity compensation plans not approved by shareholders		Equity compensation plans approved by shareholders			
	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options not exercisable (#)	Number of securities underlying unexercised options (#)	Number of securities underlying unexercised options not exercisable	Options exercise price ($)	Option expiration date
Current Officer:						
John Price						
First Award	—	—	10,526	—	$ 6.84	June 2023
Second Award	—	—	10,526	—	$ 3.42	August 2023
Third Award	—	—	13,159	—	$ 5.89	September 2023
Former Officers:						
James Byrne	1,019	—	—	—	$ 5.89	February 1, 2022
Robert L. Mazzeo	—	—	6,579	—	$ 28.50	December 2020
Ira S. Rainess						
First Award	—	—	—	5,264	$ 24.70	May 2020
Second Award	—	—	—	18,422	$ 4.75	December 2021

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions

Notes Payable-Related Party

On April 10, 2018, the Company borrowed a total of $300,000 from two of its board members, Joseph Gamberale and Joel Tracy, pursuant to promissory notes of $150,000, respectively. The notes bear interest at 12% annually and matured May 21, 2018. Mr. Gamberale personally guaranteed Mr. Tracy's note.

Interest expense for the year ended December 31, 2018 was approximately $12,000 for the note with Mr. Gamberale, and $14,000 for Mr. Tracy's note.

On May 21, 2018 Mr. Gamberale agreed to extend the maturity to August 31, 2018. The repayment of this note was subordinate to a $200,000 promissory note of May 9, 2018. In July 2018, Mr. Gamberale agreed to convert his note to common shares (at a rate of $.3725 [$7.0775] per share) and warrants (25% warrant coverage with an exercise price of $.3725 [$7.0775] per share) (same terms as the SCWorx convertible notes). In October 2018, this arrangement was amended and Mr. Gamberale chose to participate in the preferred stock placement. As of the date of this report, the note has been converted into shares of the Company's Series A Preferred Stock and related common stock purchase warrants, on the same terms as the preferred stock investors.

On May 21, 2018 Mr. Tracy agreed to extend the maturity to December 31, 2018. In November, Mr. Tracy chose to participate in the preferred stock sale. As of the date of this report, the note has been converted into shares of the Company's Series A Preferred Stock and related common stock purchase warrants, on the same terms as the preferred stock investors .

Director Independence

The rules of the Nasdaq Capital Market, or the Nasdaq Rules, require a majority of a listed company's board of directors to be composed of independent directors within one year of listing. In addition, the Nasdaq Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent. Under the Nasdaq Rules, a director will qualify as an independent director only if, in the opinion of our Board of Directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Nasdaq Rules also require that audit committee members satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act, as amended. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries. In considering the independence of compensation committee members, the Nasdaq Rules require that our Board of Directors must consider additional factors relevant to the duties of a compensation committee member, including the source of any compensation we pay to the director and any affiliations with the Company.

Our Board of Directors undertook a review of the composition of our Board of Directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our Board of Directors has determined that each of our directors other than Mr. Danner and Mr. Watson was independent based on the definition of independence in the Nasdaq listing standards. In conjunction with the SCWorx acquisition, the AMMA board, other than Mr. Miller, resigned. Our new Board of Directors has determined that each of our directors other than Marc Schessel, CEO, is independent based upon the definition of independence in the Nasdaq listing standard.

Item 14. Principal Accountant Fees and Services

The Audit Committee of the Board of Directors has selected Friedman LLP ("Friedman"), an independent registered public accounting firm, to audit the financial statements of the Company for the year ending December 31, 2018. Friedman has served as our independent registered public accounting firm since January 2016.

Principal Accountant Fees and Services

During 2018 and 2017, fees for services provided by Friedman were as follows:

	2018	2017
Audit Fees	$ 365,951	$ 367,795
Audit Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	$ 365,951	$ 367,795

Audit Fees include amounts related to the audit of the Company's annual consolidated financial statements and internal control over financial reporting, and quarterly review of the consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q.

Audit Related Fees include amounts related to accounting consultations and services.

Tax Fees include fees billed for tax compliance, tax advice and tax planning services.

All Other Fees
There were no other fees billed by Friedman for services rendered to the Company, other than the services described above, in 2018 and 2017. The Audit Committee has determined that the rendering of non-audit services by Friedman was compatible with maintaining their independence.

The Audit Committee pre-approves all audit and permissible non-audit services provided by the Company's independent registered public accounting firm. These services may include audit services, audit-related services, tax and other services. Pre-approval is generally provided for up to one year, and any pre-approval is detailed as to the particular service or category of services. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. During 2018, services provided by Friedman were pre-approved by the Audit Committee in accordance with this policy.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this report:

(1) *Financial Statements*. See Index to Consolidated Financial Statements, which appears on page F-1 hereof. The consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements are filed herewith in response to this Item.

(2) *Financial Statement Schedules*. Schedules are omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedule or because the information required is given in the consolidated financial statements or the notes thereto.

(3) *Exhibits*. The information required by this Item 15 is incorporated by reference to the Index to Exhibits accompanying this Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

SCWorx Corp. (f/k/a Alliance MMA, Inc.)

By: /s/ Marc S. Schessel
Marc S. Schessel
Chief Executive Officer
April 1, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

/s/ Marc S. Schessel
Marc S. Schessel
Chief Executive Officer and Director (Principal Executive Officer)
April 1, 2019

/s/ John Price
John Price, Chief Financial Officer
(Principal Accounting and Financial Officer)
April 1, 2019

/s/ Ira E. Ritter
Ira E. Ritter, Director
April 1, 2019

/s/ Francis Knuettel II
Francis Knuettel II, Director
April 1, 2019

/s/ Charles K. Miller
Charles K. Miller, Director
April 1, 2019

/s/ Robert Christie
Robert Christie, Director
April 1, 2019

Index to Consolidated Financial Statements

SCWorx Corp.
(f/k/a ALLIANCE MMA, INC.)
CONSOLIDATED FINANCIAL STATEMENTS

FRIEDMAN LLP®

ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of SCWorx Corp. (f/k/a Alliance MMA, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of SCWorx Corp. (f/k/a Alliance MMA, Inc.) (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, stockholders' (deficit) equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Friedman LLP

We have served as the Company's auditor since 2016.

Marlton, New Jersey
April 1, 2019

301 Lippincott Drive, 4th Floor, Marlton, NJ 08053 p 856.830.1600 f 856.396.0022 friedmanllp.com

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

SCWorx Corp.
(f/k/a Alliance MMA, Inc.)
CONSOLIDATED BALANCE SHEETS

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash	$ 30,011	$ 42,848
Restricted cash	5,401,000	—
Accounts receivable, net	32,181	—
Prepaid and other assets	200,000	—
Current assets - discontinued operations	—	602,386
Total current assets	5,663,192	645,234
Intangible assets, net	—	271,870
Long-term assets - discontinued operations	—	8,838,224
TOTAL ASSETS	$ 5,663,192	$ 9,755,328
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,064,728	$ 843,554
Preferred stock deposit	5,501,000	—
Notes payable - related party	300,000	—
Notes payable	200,000	300,000
Convertible notes payable, net of $106,700 discount	928,300	—
Derivative liability	13,800	—
Warrants liability	88,000	—
Current liabilities - discontinued operations	475,054	453,352
Total current liabilities	8,570,882	1,596,906
Long-term deferred tax liabilities - discontinued operations	—	23,943
TOTAL LIABILITIES	8,570,882	1,620,849
Commitments and contingencies		
Stockholders' (Deficit) Equity:		
Preferred stock, $10 face value; 940,000 shares authorized; No shares issued and outstanding		
Common stock, $.001 par value; 45,000,000 shares authorized; 17,494,852 [920,782] and 12,662,974 [666,472] shares issued and outstanding, respectively [Bracketed amounts represent shares reflective of a one-for-nineteen reverse stock split on February 1, 2019]	921	666
Additional paid-in capital	28,408,048	24,658,226
Accumulated deficit	(31,316,659)	(16,524,413)
TOTAL STOCKHOLDERS' (DEFICIT) EQUITY	(2,907,690)	8,134,479
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	$ 5,663,192	$ 9,755,328

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

SCWorx Corp.
(f/k/a Alliance MMA, Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue, net	$ 150,089	$ 220,709
Operating expenses:		
General and administrative	2,201,412	2,062,229
Impairment - intangible assets	231,037	—
Professional and consulting fees	1,300,939	1,329,539
Total operating expenses	3,733,388	3,391,768
Loss from operations	(3,583,299)	(3,171,059)
Interest expense	258,800	—
Gain on fair value of warrants	(59,000)	—
Loss on fair value of derivatives	4,400	—
Loss before income taxes	(3,787,499)	(3,171,059)
Income tax benefit	—	—
Net loss from continuing operations	(3,787,499)	(3,171,059)
Net loss from discontinued operations, net of tax	(10,804,747)	(8,807,504)
Net loss	(14,592,246)	(11,978,563)
Non-cash dividend	200,000	—
Adjusted net loss applicable to common stockholders	$ (14,792,246)	$ (11,978,563)
Before Reverse Stock Split:		
Loss per share		
Loss from continuing operations		
Basic and diluted	$ (0.26)	$ (0.30)
Loss from discontinued operations		
Basic and diluted	$ (0.70)	$ (0.82)
Adjusted net loss applicable to common shareholders		
Basic and diluted	$ (0.96)	$ (1.12)
Weighted average number of shares used in per share calculation, basic and diluted	15,460,391	10,679,898
Reflective of One-for-nineteen Reverse Stock Split:		
Loss per share		
Loss from continuing operations		
Basic and diluted	$ (4.90)	$ (5.64)
Loss from discontinued operations		
Basic and diluted	$ (13.28)	$ (15.67)
Adjusted net loss applicable to common shareholders		
Basic and diluted	$ (18.18)	$ (21.31)
Weighted average number of shares used in per share calculation, basic and diluted	813,705	562,100

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

SCWorx Corp.
(f/k/a Alliance MMA, Inc.)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY

	Before Reverse Stock Split			Reflective of Reverse Stock Split				
	Common Stock		Additional Paid-in	Common Stock		Additional Paid-in	Accumulated	Total Stockholders' (Deficit)
	Shares	Amount	Capital	Shares	Amount	Capital	Deficit	Equity
Balance—December 31, 2016	9,022,308	$ 9,022	$ 18,248,582	474,858	$ 475	$ 18,257,129	$ (4,545,850)	$ 13,711,754
Stock based compensation related to employee stock option grants	—	—	121,442	—	—	121,442	—	121,442
Stock based compensation related to employee stock option grant - discontinued operations	—	—	427,155	—	—	427,155	—	427,155
Issuance of common stock related to acquisition of discontinued operations	1,621,905	1,622	3,443,168	85,363	85	3,444,705	—	3,444,790
Stock based compensation related to warrant issued for consulting services	—	—	169,401	—	—	169,401	—	169,401
Stock based compensation related to common stock issued for consulting services	150,000	150	148,350	7,895	8	148,492	—	148,500
Issuance of common stock units and warrants related to private placement	1,868,761	1,869	2,010,631	98,356	98	2,012,402	—	2,012,500
Stock based compensation related to option award for consulting services	—	—	77,500	—	—	77,500	—	77,500
Net loss	—	—	—	—	—	—	(11,978,563)	(11,978,563)
Balance—December 31, 2017	12,662,974	$ 12,663	$ 24,646,229	666,472	$ 666	$ 24,658,226	$ (16,524,413)	$ 8,134,479
Stock based compensation related to employee and board of directors stock option grants	—	—	368,423	—	—	368,423	—	368,423
Stock based compensation related to employee stock option grant - discontinued operations	—	—	243,987	—	—	243,987	—	243,987
Stock based compensation related to repricing of employee warrant grant – discontinued operations	—	—	10,000	—	—	10,000	—	10,000
Stock based compensation related to issuance of common shares to former employees - discontinued operations	—	—	143,630	—	—	143,630	—	143,630
Stock based compensation related to issuance of shares in relation to legal settlement with shareholder	794,483	794	239,206	41,815	42	239,958	—	240,000
Stock based compensation related to warrants issued for consulting services	—	—	63,580	—	—	63,580	—	63,580
Stock based compensation related to common shares and warrants issued to debt holder	200,000	200	66,300	10,526	11	66,489	—	66,500
Non-cash dividend	—	—	200,000	—	—	200,000	(200,000)	—
Issuance of common stock related to public offering	2,200,000	2,200	1,943,800	115,791	116	1,945,884	—	1,946,000
Exercise of common stock warrants	1,056,750	1,057	305,400	55,618	56	306,401	—	306,457
Exercise of common stock options	80,645	80	24,920	4,244	4	24,996	—	25,000
Issuance of common stock to vendor	500,000	500	136,000	26,316	26	136,474	—	136,500
Net loss	—	—	—	—	—	—	(14,592,246)	(14,592,246)
Balance—December 31, 2018	17,494,852	$ 17,494	$ 28,391,475	920,782	$ 921	$ 28,408,048	$ (31,316,659)	$ (2,907,690)

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

SCWorx Corp.
(f/k/a Alliance MMA, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2018	Year Ended December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (14,592,246)	$ (11,978,563)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of intangible assets and goodwill	231,037	—
Amortization of acquired intangibles	40,833	76,183
Stock-based compensation	738,503	516,843
Issuance of common stock to vendor as payment on invoices	136,500	—
Non cash interest expense	49,700	—
Gain on fair value of warrants	(59,000)	—
Loss on fair value of derivatives	4,400	—
Loss from discontinued operations	10,804,747	8,807,504
Changes in operating assets and liabilities:		
Accounts receivable	(32,181)	—
Prepaid and other assets	(200,000)	—
Accounts payable and accrued liabilities	246,174	670,024
Net cash used in operating activities - continuing operations	(2,631,533)	(1,908,009)
Net cash used in operating activities - discontinued operations	(946,912)	(3,920,268)
Net cash used in operating activities	(3,578,445)	(5,828,277)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used in investing activities - discontinued operations	(21,849)	(1,008,950)
Net cash used in investing activities	(21,849)	(1,008,950)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	1,946,000	2,012,500
Proceeds from notes payable	290,000	300,000
Proceeds from convertible notes payable	1,035,000	—
Proceeds from note payable – related party	300,000	—
Repayments on notes payable	(390,000)	—
Proceeds from exercise of options and warrants	306,457	—
Proceeds from sale of preferred stock, held on deposit	5,501,000	—
Net cash provided by financing activities	8,988,457	2,312,500
NET INCREASE (DECREASE) IN CASH	5,388,163	(4,524,727)
CASH AND RESTRICTED CASH — BEGINNING OF YEAR	42,848	4,567,575
CASH AND RESTRICTED CASH — END OF YEAR	$ 5,431,011	$ 42,848
CASH AND RESTRICTED CASH CONSIST OF THE FOLLOWING		
BEGINNING OF YEAR		
Cash	$ 42,848	$ 4,567,575
Restricted cash	—	—
	$ 42,848	$ 4,567,575
END OF YEAR		
Cash	$ 30,011	$ 42,848
Restricted cash	5,401,000	—
	$ 5,431,011	$ 42,848
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 45,625	$ —
Cash paid for taxes	$ —	$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Non-cash dividend	$ 200,000	$ —
Exercise of stock option in settlement of payable balance	25,000	—
Stock issued in conjunction with acquisition of Victory Fighting Championship	—	642,938
Stock issued in conjunction with acquisition of Fight Club OC	—	810,810
Stock issued in conjunction with acquisition of National Fighting Championships	—	366,227
Stock issued in conjunction with acquisition of Fight Time Promotions	—	287,468
Stock issued in conjunction with acquisition of SuckerPunch	—	1,328,847
Stock issued in conjunction with acquisition of Sheffield Video Library	—	8,500
Debt discount associated with warrants and derivative liabilities	156,400	—

In addition, as a result of the one-for-nineteen reverse stock split effected on February 1, 2019, common stock par value was reduced and additional paid-in capital was increased by $16,573 and $11,997 as of December 31, 2018 and 2017, respectively.

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

SCWorx Corp.
(f/k/a Alliance MMA, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business

Nature of Business

Alliance MMA, Inc. ("Alliance" or the "Company") was a sports media company formed in Delaware in February 2015. The Company completed its Initial Public Offering ("IPO") in October 2016 and began to execute its initial business strategy to acquire regional Mixed Material Arts ("MMA") promotions to form a professional MMA fight league. A total of ten regional MMA promotions were acquired. Additionally, the Company acquired a ticketing software business focused on the MMA industry, a sports management business, and video production and distribution company to complement the MMA fight league.

Alliance acquired the following businesses to execute its initial business strategy:

Promotions

- CFFC Promotions ("CFFC");
- Hoosier Fight Club ("HFC");
- COmbat GAmes MMA ("COGA");
- Shogun Fights ("Shogun");
- V3 Fights ("V3");
- Iron Tiger Fight Series ("IT Fight Series" or "ITFS");
- Fight Time Promotions ("Fight Time");
- National Fighting Championships ("NFC");
- Fight Club Orange County ("FCOC" or "Fight Club OC"); and
- Victory Fighting Championship ("Victory").

Ticketing

- CageTix

Sports Management

- SuckerPunch Holdings, Inc. ("SuckerPunch")

Video Production and Distribution

- Go Fight Net, Inc. ("GFL")

As an adjunct to the promotion business, Alliance provided video distribution and media archiving through Alliance Sports Media ("ASM") formerly GFL.

Change in Management and Cessation of MMA Promotion, Sports Management and Video Production and Distribution Operations

On February 7, 2018, the Company's Chief Executive Officer, Paul Danner, resigned his position but remained Chairman of the Board and Director through May 1, 2018. Also, on February 7, 2018, the Company terminated the employment of the Company's President, Robert Haydak, and Chief Marketing Officer, James Byrne and named Robert Mazzeo as the Company's acting Chief Executive Officer. Effective May 23, 2018, board of directors' member, Renzo Gracie, resigned. On May 24, 2018, Robert Mazzeo resigned as Chief Executive Officer. On May 25, 2018, management and the Board of Directors committed the Company to an exit/disposal plan of the MMA promotion business because it did not believe the MMA business unit could generate sufficient operating cash flows to fund the ongoing operations. On June 6, 2018, the Company's board of directors appointed John Price, the Company's Chief Financial Officer, Co-President of the Company. On September 13, 2018, management and the board of directors extended the exit/disposal plan to the Sports Management business unit because it did not believe it could generate positive operating cash flows. On September 26, 2018 the Company entered an agreement to sell SuckerPunch to its former owners. The effective date of the sale transaction was July 1, 2018. On December 24, 2018, the Company and Co-President, Ira Rainess, agreed to terminate Mr. Rainess' employment agreement.

As of the date of this filing, the Company has disposed of the following businesses:

- CFFC
- HFC
- COGA
- Shogun
- V3
- ITFS
- Fight Time
- NFC
- FCOC
- Victory
- ASM
- GFL
- SuckerPunch

The Company has been focused on its CageTix business and completing the acquisition of SCWorx Corp., which was closed on February 1, 2019.

SCWorx Acquisition and Related Transactions

In June 2018, the Company entered into a Securities Purchase Agreement with SCWorx Acquisition Corp. (n/k/a SCWorx Corp.) ("SCWorx"), as amended December 18, 2018 ("SPA"), under which it agreed to sell up to $1.25 million in principal amount of convertible notes and warrants to purchase up to 1,128,356 [59,387] shares of common stock. The initial $750,000 tranche of the notes is convertible into shares of common stock at a conversion price of $0.3725 [$7.0775] and the related 503,356 [26,492] warrants have an exercise price of $0.3725 [$7.0775]. The conversion price on the $750,000 convertible note was reduced to $0.215 per share in January 2019. The remaining $500,000 tranche of the notes is convertible into shares of common stock at a conversion price of $0.20 [$3.80] and the related 625,000 [32,895] warrants have an exercise price of $0.30 [$5.70]. See Note 12–Subsequent Events. These notes automatically converted into Company common stock upon the closing of the SCWorx acquisition on February 1, 2019.

Pursuant to the SPA, between June 29, 2018 and October 16, 2018, the Company sold SCWorx convertible notes in the aggregate principal amount of $750,000 and warrants to purchase 503,356 [26,492] shares of common stock, for an aggregate purchase price of $750,000. Each of the notes bears interest at 10% annually and have a one year term. Each of the warrants has an exercise price of $0.3725 [$7.0775], a term of five years and were vested upon grant. These notes automatically converted into Company common stock upon the closing of the SCWorx acquisition on February 1, 2019.

On August 20, 2018, the Company entered into a Stock Exchange Agreement with SCWorx, as amended December 18, 2018 ("SEA"). Under the SEA, the Company agreed to purchase from the SCWorx shareholders all the issued and outstanding capital stock of SCWorx, in exchange for which the Company agreed to issue at the closing (i) 100,000,000 shares of Company common stock to the SCWorx stockholdersand (ii) 190,000 Series A Preferred Stock Units ($1.9 million face value) ("Series A Preferred Units") to an SCWorx creditor in satisfaction of approximately $1.9 million of indebtedness. The Series A Preferred Units are comprised of 190,000 shares of Series A preferred stock, convertible into shares of common stock at a conversion price of $0.20 [$3.80] per share, subject to adjustment, and warrants to purchase 4,750,000 [250,000] shares of common stock, with an exercise price of $0.30 [$5.70] per share, subject to adjustment. Upon consummation of the transaction on February 1, 2019, SCWorx is wholly owned by the Company.

Pursuant to the SPA, between November 16, 2018 and December 31, 2018, the Company sold SCWorx additional convertible notes in the aggregate principal amount of $275,000 and warrants to purchase 356,250 [18,750] shares of common stock, for an aggregate purchase price of $275,000. Each of the Notes bears interest at 10% annually and matures one year form the issue date. These warrants have an exercise price of $0.30 [$5.70], a term of five years and were vested upon grant. This brings the total amount funded by SCWorx to $1,035,000 as of December 31, 2018. These notes automatically converted into Company common stock upon the closing of the SCWorx acquisition on February 1, 2019. See Note 12–Subsequent Events.

On December 18, 2018, the Company closed $5.5 million in aggregate proceeds from the sale of Series A Preferred Units comprised of 550,000 shares of Series A preferred stock (face value $10 per share) and warrants to purchase 13,750,000 [723,684] shares of common stock. The face value of the Series A preferred stock will, upon stockholder approval of the sale of the Series A Preferred Units, be convertible into shares of common stock at a conversion price of $0.20 [$3.80] per share, subject to adjustment, and the warrants have an exercise price of $0.30 [$5.70] per share, subject to adjustment. In addition, the Company issued Series A Preferred Units, comprised of approximately 67,500 shares of Series A preferred stock ($675,000 aggregate face value) and warrants to purchase 1,687,500 [88,816] shares of common stock to Company creditors in satisfaction of approximately $675,000 of indebtedness.

The amount of cash raised from sale of Series A Preferred Stock Units was required to be kept in a reserve account pending the closing of the SCWorx Corp. acquisition. As a result, the Company has recognized restricted cash of $5,401,000 and preferred stock deposit of $5,501,000 in the accompanying consolidated balance sheet as of December 31, 2018.

In anticipation of the acquisition of SCWorx Corp., the Company filed an original listing application with the Nasdaq Capital Market to list the common stock of the combined company. On or about January 31, 2019, the Nasdaq approved the listing of the Company's common stock (on a combined basis with SCWorx), with the result being that the Company's common stock is now newly listed on the Nasdaq Capital Market.

On February 1, 2019, the Company completed the acquisition of SCWorx, changed its name to SCWorx Corp., changed its ticker symbol to "WORX", and effected a one-for-nineteen reverse stock split of its common stock [bracketed amounts represent post-split adjusted shares or per share amounts].

SCWorx Corp.
(f/k/a Alliance MMA, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Liquidity and Going Concern

Liquidity and Going Concern

The Company's primary need for liquidity is to fund the working capital needs of the business, and general corporate purposes. The Company has historically incurred losses and experienced negative operating cash flows since the inception of operations in October 2016.

As a result of the recently consummated convertible notes and Series A Preferred Units financings, as of December 19, 2018, the Company had approximately $5.4 million in restricted cash on hand, which under the operative documents was required to be held in reserve pending the closing of the SCWorx acquisition. In addition, as of December 31, 2018, SCWorx was required to provide additional advances of $215,000 under the SPA, as amended. These advances were made in January of 2019.

With the completion of the SCWorx acquisition and related financings, the Company had approximately $5.4 million of restricted cash at a bank. Although the Company has historically generated operating losses and negative operating cash flows, with the completion of the SCWorx acquisition, the Company expects that the combined company will generate operating profits and positive operating cash flows.

The Company believes that these positive operating cash flows, funding from the completed issuances, satisfaction of substantially all outstanding liabilities, and coupled with cash on hand of $3.0 million, are such that, as of the date of this report, the Company has sufficient cash to support the business for at least the one year period following the release date of these consolidated financial statements.

Note 3. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The consolidated financial statements include the accounts of Alliance MMA, Inc. and its wholly-owned subsidiary, Go Fight Net, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

In connection with acquisition of SCWorx, the Company effected a one-for-nineteen reverse stock split of the Company's common stock. The reverse stock split became effective on February 1, 2019. The par value and authorized shares of common stock were not adjusted as a result of the reverse stock split. All share and per share amounts in the notes to the consolidated financial statements show [bracketed amounts] which reflects this reverse stock split. As a result, all bracketed common stock share amounts have been reduced by a factor of nineteen, and all bracketed common stock per share amounts have been increased by a factor of nineteen, or as otherwise described in the tables.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. These estimates relate to revenue recognition, the assessment of recoverability of goodwill and intangible assets, range of possible outcomes of acquisition earn-out accruals, the assessment of useful lives and the recoverability of property and equipment, the valuation and recognition of stock-based compensation expense, loss contingencies, and income taxes. Actual results could differ materially from those estimates.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations on discontinued operations.

Cash

Cash is maintained with various financial institutions. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. There were no amounts in excess of the FDIC insured limit for both the years ended December 31, 2018 and 2017, respectively.

Fair Value of Financial Instruments

Management applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Management defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, management considers the principal or most advantageous market in which we would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement: Level 1 - Quoted prices in active markets for identical assets or liabilities. Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 - Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

Loss Contingencies

The Company records a liability when the Company believes that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If the Company determines that a loss is reasonably possible, and the loss or range of loss can be estimated, the Company discloses the possible loss in the notes to the consolidated financial statements. The Company reviews the developments in our contingencies that could affect the amount of the provisions that has been previously recorded, and the matters and related possible losses disclosed. The Company adjusts provisions and changes to our disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability and the estimated amount.

Legal costs associated with loss contingencies are accrued based upon legal expenses incurred by the end of the reporting period.

Allowance for Doubtful Accounts

The Company continually monitors customer payments and maintains a reserve for estimated losses resulting from its customers' inability to make required payments. In determining the reserve, the Company evaluates the collectability of its accounts receivable based upon a variety of factors. In cases where the Company becomes aware of circumstances that may impair a specific customer's ability to meet its financial obligations, the Company records a specific allowance against amounts due. For all other

customers, the Company recognizes allowances for doubtful accounts based on its historical write-off experience in conjunction with the length of time the receivables are past due, customer creditworthiness, geographic risk and the current business environment. Actual future losses from uncollectible accounts may differ from the Company's estimates. At December 31, 2018 and 2017, there were no allowances.

Revenue Recognition

Ticketing Service Revenue (Current Operations)

The Company acts as a ticket agent for third-party ticket sales and charges a fee per transaction for collecting the cash on ticket sales and remits the remaining net amount to the third-party promoter upon completion of the event or request from the promoter. The Company's ticket service fee is recognized, on a net basis, when it satisfies the performance obligation by transferring control of the purchased ticket to a customer.

Promotions Revenue (Discontinued Operations)

The Company recognized revenue, net of sales tax, when it satisfied a performance obligation by transferring control over a product or service to a customer. Revenue from admission, sponsorship, pay per view ("PPV"), apparel, and concession were recognized at a point in time when an event was exhibited to a customer live or PPV, and when a customer took possession of apparel or food and beverage offerings. Promotions revenue is a component of discontinued operations.

Sports Management and Video Production and Distribution Revenue (Discontinued Operations)

The Company recognized revenue when it satisfied a performance obligation by transferring control over a product or service to a customer. The Company recognized commission revenue upon the completion of a contracted athlete's performance.

Business Combinations

The Company includes the results of operations of the businesses that it has acquired in its consolidated results as of the respective dates of acquisition.

The Company allocates the fair value of the purchase consideration of its acquisitions to the tangible assets, liabilities and intangible assets acquired, based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. The primary items that generate goodwill include the value of the synergies between the acquired businesses and the Company as well as the acquired assembled workforce, neither of which qualifies as an identifiable intangible asset. The fair value of contingent consideration associated with acquisitions is remeasured each reporting period and adjusted accordingly. Acquisition and integration related costs are recognized separately from the business combination and are expensed as incurred.

We allocate goodwill to the reporting units of the business that are expected to benefit from the business combination.

For additional information regarding the Company's acquisitions, see Note 5 - Business Combinations.

Goodwill and Purchased Identified Intangible Assets

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired under a business combination. Goodwill also includes acquired assembled workforce, which does not qualify as an identifiable intangible asset. The Company reviews impairment of goodwill annually in the fourth quarter, or more frequently if events or circumstances indicate that the goodwill might be impaired. The Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is unnecessary. If, based on the qualitative assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the Company proceeds to perform the quantitative goodwill impairment test. The Company first determines the fair value of a reporting unit using weighted results derived from an income approach and a market approach. The income approach is estimated through the discounted cash flow method based on assumptions about future conditions such as future revenue growth rates, new product and technology introductions, gross margins, operating expenses, discount rates, future economic and market conditions, and other assumptions. The market approach estimates the fair value of the Company's equity by utilizing the market comparable method which is based on revenue multiples from comparable companies in similar lines of business. The Company then compares the derived fair value of a reporting unit with its carrying amount. If the carrying value of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

For the year ended December 31, 2017, the Company recorded a goodwill impairment of $2.4 million within the Company's discontinued operations in relation to the GFL and Fight Time reporting units.

For the year ended December 31, 2018, the Company recorded a goodwill impairment of $5.9 million within the Company's discontinued operations in relation to the cessation of the MMA promotion and athlete management businesses. At December 31, 2018, the Company had no goodwill.

Purchased Identified Intangible Assets

Identified finite-lived intangible assets consisted of acquired video library intellectual property, venue contracts/relationships, ticketing software, tradenames, fighter contracts, promoter relationships and sponsor relationships resulting from business combinations. The Company's identified intangible assets were amortized on a straight-line basis over their estimated useful lives, ranging from two to ten years. The Company makes judgments about the recoverability of finite-lived intangible assets whenever facts and circumstances indicate that the useful life is shorter than originally estimated or that the carrying amount of assets may not be recoverable. If such facts and circumstances exist, the Company assesses recoverability by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairments, if any, are based on the excess of the carrying amount over the fair value of those assets. If the useful life is shorter than originally estimated, the Company would accelerate the rate of amortization and amortize the remaining carrying value over the new shorter useful life. The Company evaluates the carrying value of indefinite-lived intangible assets on an annual basis, and an impairment charge would be recognized to the extent that the carrying amount of such assets exceeds their estimated fair value. For further discussion of goodwill and identified intangible assets, see Note 6–Goodwill and Purchased Identified Intangible Assets.

For the year ended December 31, 2018, the Company recorded an intangible assets impairment of approximately $231,000 related to its MMA ticketing service business, and approximately $182,546 related to the athlete management business recorded as a component of net loss from discontinued operations, net of tax.

For the year ended December 31, 2017, the Company recorded an intangible impairment of $893,000 related to the impairment of all video library assets acquired from GFL, the promotion businesses, and asset purchases, as well as the venue relationship and trade-name of the Fight Time Promotion. This expense is included as a component of net loss from discontinued operations, net of tax.

Advertising Costs

There were no advertising costs for the years ended December 31, 2018 and 2017.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with the authoritative guidance on share-based payments. Under the provisions of the guidance, stock-based compensation expense is measured at the grant date based on the fair value of the option or warrant using a Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period. The fair value of the Company's stock awards for non-employees is estimated based on the fair market value on each vesting date, accounted for under the variable-accounting method.

The authoritative guidance on share-based payments also requires that the Company measure and recognize stock-based compensation expense upon modification of the term of the stock award. The stock-based compensation expense for such modification is the sum of any unamortized expense of the award before modification and the modification expense. The modification expense is the incremental amount of the fair value of the award before the modification and the fair value of the award after the modification, measured on the date of modification. In the case when the modification results in a longer requisite period than in the original award, the Company has elected to apply the pool method where the aggregate of the unamortized expense and the modification expense is amortized over the new requisite period on a straight-line basis. In addition, any forfeiture will be based on the original requisite period prior to the modification.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, stock price volatility, and the pre-vesting option forfeiture rate. The Company estimates the expected life of options granted based on the life of the underlying award. The Company estimates the volatility of the Company's common stock on the date of grant based on historical volatility. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. The Company estimates the forfeiture rate based on historical experience of its stock-based awards that are granted, exercised and cancelled. If the actual forfeiture rate is materially different from the estimate, stock-based compensation expense could be significantly different from what was recorded in the current period. The expected levels of achievement are reassessed over the requisite service periods and, to the extent that the expected levels of achievement change, stock-based compensation is adjusted in the period of change and recorded on the statements of operations and the remaining unrecognized stock-based compensation is recorded over the remaining requisite service period. See Note 9-Stockholders' Equity for additional detail.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date.

A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company has no material uncertain tax positions for any of the reporting periods presented.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), which amends the existing accounting standards for revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. In March 2016, the FASB issued Accounting Standards Update No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net) (ASU 2016-08) which clarifies the implementation guidance on principal versus agent considerations. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customers. The new standard further requires new disclosures about contracts with customers, including the significant judgments the company has made when applying the guidance. We adopted the new standard effective January 1, 2018, using the modified retrospective transition method. The adoption of this guidance did not have a material impact on our consolidated financial statements and our internal controls over financial reporting.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842) (ASU 2016-02), which generally requires companies to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet. This guidance will be effective for us in the first quarter of 2019 on a modified retrospective basis and early adoption is permitted. We adopted the new standard effective January 1, 2019. Our operating leases, as disclosed in Note 8 - Commitments and Contingencies, will be subject to the new standard. We will recognize right-of-use assets and operating lease liabilities on our consolidated balance sheets upon adoption, which will increase our total assets and liabilities.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18), which requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. We adopted the new standard effective January 1, 2018, using the retrospective transition approach for all periods presented. The adoption of this guidance is reflected in our consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "*Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.*" This ASU addresses the classification of certain specific cash flow issues including debt prepayment or extinguishment costs, settlement of certain debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of certain insurance claims and distributions received from equity method investees. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. The Company adopted this standard as of January 1, 2018. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, "*Intra-Entity Transfers of Assets Other Than Inventory.*" This ASU requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. For public entities, this ASU is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. The Company adopted this standard as of January 1, 2018 on a prospective basis. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business (ASU 2017-01), which revises the definition of a business and provides new guidance in evaluating when a set of transferred assets and activities is a business. We adopted the new standard effective January 1, 2018, on a prospective basis and the standard did not have a material impact on our consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting (ASU 2017-09) which provides guidance about which changes to the terms or conditions of a share-based payment awarded require an entity to apply modification accounting. The standard is effective for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted. The Company adopted the standard prospectively and the adoption of this standard did not have a material impact on our consolidated financial statements.

In July 2017, the FASB issued ASU No. 2017-11, Earnings per Share (Topic 260); Distinguishing from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatory Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interest with a Scope Exception. Topic 815, Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. The amendments in Part I of this Update change the classification of certain equity-linked financial instruments (or embedded features) with down round features. When determining whether certain financial instruments should be classified as equity instruments, a down round feature no longer precludes equity classification when assessing whether the instrument is indexed to an entity's own stock. The amendments also clarify existing disclosure requirements for equity-classified instruments.

As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. For freestanding equity-linked classified financial instruments, the amendments require entities that present earnings per share in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a dividend and a reduction of income available to common shareholders in basic earnings per share.

The amendments in Part II of this Update recharacterize the indefinite deferral of certain provisions of Topic 480 that are now presented as pending content in the Codification, to a scope exception. These amendments do not have an accounting effect.

The Company adopted the provisions of the update in its December 31, 2018 consolidated financial statements and elected the retrospective transition method.

Recently Issued Accounting Pronouncements

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment (ASU 2017-04), which eliminates step two from the goodwill impairment test. Under ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value up to the amount of goodwill allocated to that reporting unit. This guidance will be effective for us in the first quarter of 2020 on a prospective basis, and early adoption is permitted. We do not expect the standard to have a material impact on our consolidated financial statements.

In March 2018, the FASB updated the Income Taxes Topic of the Accounting Standards Codification. The amendments were effective upon issuance. The Company does not expect these amendments to have a material effect on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, "*Stock-based Compensation: Improvements to Nonemployee Share-based Payment Accounting*," which amends the existing accounting standards for share-based payments to nonemployees. This ASU aligns much of the guidance on measuring and classifying nonemployee awards with that of awards to employees. Under the new guidance, the measurement of nonemployee equity awards is fixed on the grant date. The effective date for the standard is for interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted, but no earlier than the Company's adoption date of Topic 606. The new guidance is required to be applied retrospectively with the cumulative effect recognized at the date of initial application. The Company will adopt this new standard in the first quarter of fiscal 2019 and does not expect that the adoption of the standard will have a material impact on its consolidated financial statements.

Note 4. Discontinued Operations

On May 25, 2018, the Company commenced cessation of all the professional MMA promotion operations and supporting functions including ASM and began a plan of disposition. This action included the termination of all promotion and support employees. As of December 31, 2018, all the MMA promotions were either disposed or ceased operations. On September 13, 2018, the Company commenced cessation of the Athlete Management operations and began a plan of disposition. This action included the termination of all Athlete Management employees. During the third quarter of 2018, the Athlete Management business unit was disposed with an effective date of July 1, 2018.

The Company has reported the results of operations and financial position of the discontinued Professional MMA Promotion and Athlete Management businesses in discontinued operations within the consolidated statements of operations and consolidated balance sheets for all periods presented.

The results from discontinued operations were as follows:

	Year Ended	
	December 31, 2018	December 31, 2017
Revenue, net	$ 1,663,382	$ 3,996,521
Cost of revenue	(1,084,028)	(2,691,398)
Gross margin	579,354	1,305,123
Operating expenses:		
General and administrative	4,382,166	9,424,521
Total operating expenses	4,382,166	9,424,521
Loss from operations	(3,802,812)	(8,119,398)
Gain on disposal	874,392	—
Loss on disposal	(7,900,269)	—
Loss before provision for income tax	(10,828,689)	(8,119,398)
Income tax (provision) benefit	23,942	688,106
Loss from discontinued operations	$ (10,804,747)	$ (8,807,504)

As part of the cessation of its professional MMA promotion business in the second quarter 2018, the Company disposed of all long-lived fixed assets and realized a loss on disposal of approximately $223,000, the Company also impaired or wrote off intangible assets and goodwill and realized a loss on disposal of $6.9 million, wrote off receivables of $190,000 and other assets of $19,000.

Also during the second quarter 2018, the Company sold all the professional MMA promotion businesses, except for Victory, FT and NFC, to the former business owners and terminated/settled existing employment agreements. In relation to the promotion business disposals, the Company settled the $310,000 earn-out liability related to the Shogun acquisition with the issuance of 366,072 [19,267] common stock options with a Black-Scholes value of $94,000, issued 30,000 [1,579] common stock options to a promoter as severance, and incurred approximately $246,000 of additional liabilities related to severance payments to former employees. The Company realized a gain of approximately $160,000 related to the settlement of outstanding accounts payable and a gain of approximately $276,000 related to settlement with a promoter of customer prepayments and recorded a $15,000 receivable from the promoter related to the sale of the business. On July 30, 2018, the Company entered a settlement agreement, effective as of May 31, 2018, with a former employee, in relation to the termination of his employment. The Company agreed to pay the former employee $129,800 and issue a fully vested stock option grant dated July 30, 2018 for 75,000 [3,947] common shares with a life of 5 years and exercise price of $0.20 [$3.80]. In June 2018, the Company abandoned the Cherry Hill, New Jersey promotion office and recorded a $167,500 charge for the remaining contractual lease payments. See Note 8 Commitments and Contingencies.

During the third quarter 2018, the Company continued its disposal plans. In July 2018, the Company entered a separation agreement with a former employee and agreed to pay $50,000 in exchange for terminating the employment agreement. On September 26, 2018, the Company entered an agreement to sell the Athlete Management business, SuckerPunch, to the former business owners, the agreement had an effective date of July 1, 2018. The parties agreed to terminate / settle the existing employment agreements. One of the former employees was paid severance until August 31, 2018 and issued the remaining 108,289 [5,699] common shares held in escrow related to the SuckerPunch acquisition. The Company recognized a stock-based compensation charge of $31,000 related to the issuance of the 108,289 [5,699] common shares. The other former employee was paid severance through September 15, 2018 and had his warrant to purchase 93,583 [4,925] common shares repriced from $3.74 [$71.06] to $0.3725 [$7.0775]. The Company recognized a stock-based compensation charge of $10,000 related to the repricing of the common stock warrant. The Company recognized a $70,000 loss in relation to the disposal of the SuckerPunch business. In conjunction with the settlement with the former owner of Fight Club OC, Roy Englebrecht, the shares held in escrow were released as part of the separation agreement. The Company recorded stock based compensation expense of $55,000, the fair value of the shares on the date the agreement was entered. In September 2018, the Company sold the Victory name and related business assets to a vendor in settlement of an outstanding payable balance of $33,064. In September 2018, the Company sold Fight Time to the former business owner and terminated the existing settlement arrangement resulting in a gain of $16,667. In October 2018, the Company resolved its outstanding litigation with Mazzeo Song LLP resulting in the Company agreeing to pay $35,000 in settlement of the outstanding payable balance. The Company realized a $47,000 gain during the third quarter 2018 on the settlement as all invoices had previously been accrued. On November 12, 2018 the Company entered into a separation agreement with the former promoter of Victory and agreed to issue the 121,699 [6,405] shares held in escrow related to the Victory acquisition. The effective date of the agreement was September 30, 2018 and as a result the Company recognized $35,000 of stock-based compensation expense.

During the fourth quarter 2018, the Company and Ira Rainess, agreed to terminate the employment agreement and entered a settlement agreement in which the Company agreed to pay $100,000 in cash and grant an option to acquire 350,000 [18,421] common shares with an exercise price of $0.25 [$4.75]. The Company paid $10,000 upon signing and the balance in February 2019. The Company recognized a stock-based compensation charge of $38,500 related to the option award. In 2019, the Company settled the lease liability related to the former office in Cherry Hill, New Jersey for $75,000 cash and issuance of $50,000 of warrants. As a result, the Company realized a gain on the settlement of $42,475, and is included in the results for the year ended December 31, 2018.

As of December 31, 2018, the Company disposed of all the professional MMA promotion, sports management, and video and distribution businesses.

The current assets, long-term assets, current liabilities and long-term liabilities of discontinued operations were as follows:

	December 31, 2018	December 31, 2017
Cash	$ —	$ 305,349
Accounts receivable, net	—	225,787
Other receivables	—	71,250
Current assets - discontinued operations	$ —	$ 602,386
Property and equipment, net	$ —	$ 259,463
Intangible assets, net	—	2,615,224
Goodwill	—	5,963,537
Long-term assets - discontinued operations	$ —	$ 8,838,224
Accounts payable	$ —	$ 67,761
Accrued liabilities	475,054	385,591
Current liabilities - discontinued operations	$ 475,054	$ 453,352
Long-term deferred tax liability	$ —	$ 23,943
Long-term liabilities - discontinued operations	$ —	$ 23,943

Note 5. Business Combinations

During 2017, the Company completed several business acquisitions. The Company has included the financial results of these business acquisitions in the consolidated financial statements from their respective dates of acquisition. Goodwill generated from all business acquisitions was primarily attributable to expected synergies from future growth and potential monetization opportunities. The Company has since disposed of all these businesses in connection with the exit/disposal plan described elsewhere.

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

In connection with respective asset purchase agreements, the Company entered into trademark license agreements to license the trademark used by the underlying MMA business.

The Company completed no acquisitions during the year ended December 31, 2018.

The following acquisitions were completed during the year ended December 31, 2017:

SuckerPunch

On January 4, 2017, Alliance acquired the stock of Roundtable Creative, Inc., a Virginia corporation d/b/a SuckerPunch Entertainment, a leading fighter management and marketing company, for an aggregate purchase price of $1,686,347, of which $357,500 was paid in cash, $1,146,927 was paid with the issuance of 307,487 [16,184] shares of Alliance MMA common stock valued at $3.73 [$70.87] per share, the fair value of Alliance MMA common stock on January 4, 2017, and $181,920 was paid with the issuance of a warrant to acquire 93,583 [4,925] shares of the Company's common stock.

Fight Time

On January 18, 2017, Alliance acquired the mixed martial arts promotion business of Fight Time Promotions, LLC ("Fight Time") for an aggregate consideration of $371,468, of which $84,000 was paid in cash and $287,468 was paid with the issuance of 74,667 [3,930] shares of the Alliance MMA's common stock valued at $3.85 [$73.15] per share, the fair value of Alliance MMA common stock on January 18, 2017.

National Fighting Championships

On May 12, 2017, Alliance acquired the mixed martial arts promotion business of Undisputed Productions, LLC, doing business as National Fighting Championships or NFC for an aggregate consideration of $506,227, of which $140,000 was paid in cash and $366,227 was paid with the issuance of 273,304 [14,384] shares of Alliance MMA common stock valued at $1.34 [25.46] per share, the fair value of Alliance MMA common stock on May 12, 2017.

Fight Club Orange County

On June 14, 2017, Alliance acquired the mixed martial arts promotion business of The Englebrecht Company, Inc., doing business as Roy Englebrecht Promotions and Fight Club Orange County, for an aggregate consideration of $1,018,710, of which $207,900 was paid in cash and $810,810 was paid with the issuance of 693,000 [36,474] shares of the Company's common stock valued at $1.17 [$22.23] per share, the fair value of Alliance MMA common stock on June 14, 2017.

Victory Fighting Championship

On September 28, 2017, Alliance acquired the mixed martial arts promotion business of Victory Fighting Championship, LLC, doing business as Victory Fighting Championship, for an aggregate consideration of $822,938, of which $180,000 was paid in cash and $642,938 was paid with the issuance of 267,891 [14,100] shares of the Company's common stock valued at $2.40 [$45.60] per share, the fair value of Alliance common stock on September 28, 2017.

Final Purchase Allocation - SuckerPunch

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

	Cash	Shares	Warrants Grant	Consideration Paid
SuckerPunch	$ 357,500	307,487 [16,184]	93,583 [4,925]	$ 1,686,347

In connection with the acquisition, 108,289 [5,699] shares of the 307,487 [16,184] shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of SuckerPunch post-closing. Accordingly, if the gross profit was less than $265,000 during fiscal year 2017, all 108,289 [5,699] shares held in escrow would have been forfeited. During the third quarter 2018, Management entered a separation agreement with the former owner of SuckerPunch and released the shares held under escrow, and recorded stock based compensation expense of $31,000, the fair value of the shares on the date the agreement was entered.

The following table reflects the final allocation of the purchase price for SuckerPunch to identifiable assets, intangible assets, goodwill and identifiable liabilities:

	Final Fair Value
Cash	$ —
Accounts receivable, net	—
Intangible assets	210,000
Goodwill	1,522,605
Total identifiable assets	$ 1,732,605
Total identifiable liabilities	(46,258)
Total purchase price	$ 1,686,347

During the quarter ended June 30, 2018, the Company recognized an impairment charge of the net intangible assets and goodwill and fully wrote off these assets. The impairment charge is a component of net loss from discontinued operations, net of tax, for the year ended December 31, 2018.

Final Purchase Allocation - Fight Time Promotions

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

	Cash	Shares	Consideration Paid
Fight Time	$ 84,000	74,667 [3,930]	$ 371,468

In connection with the business acquisition, 28,000 [1,474] shares of the 74,667 [3,930] shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of Fight Time post-closing. If the gross profit of Fight Time was less than $60,000 during fiscal year 2017, all 28,000 [1,474] shares held in escrow were to be forfeited. During the first quarter 2018, the Company entered a separation agreement with the former owner of Fight Time and released the shares held under escrow.

The following table reflects the final allocation of the purchase price for the business of Fight Time to identifiable assets, intangible assets, goodwill and identifiable liabilities:

	Final Fair Value
Cash	$ —
Accounts receivable, net	—
Intangible assets	140,000
Goodwill	231,468
Total identifiable assets	$ 371,468
Total identifiable liabilities	—
Total purchase price	$ 371,468

During the year ended December 31, 2017 the Company recognized an impairment charge of the intangible assets and goodwill and fully wrote off these assets.

Final Purchase Allocation - National Fighting Championships

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

	Cash	Shares	Consideration Paid
NFC	$ 140,000	273,304 [14,384]	$ 506,227

In connection with the business acquisition, 81,991 [4,315] shares of the 273,304 [14,384] shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of NFC post-closing. Accordingly, if the gross profit of NFC was less than $100,000 during the 12-month period following the acquisition, all 81,991 [4,315] shares held in escrow will be forfeited. The Company entered in to a separation agreement during the fourth quarter 2018, with an effective date of October 1, 2018 and released all the shares held in escrow. The Company recorded a stock based compensation charge of $22,630 related to the release of 81,991 [4,315] shares, based upon the fair value of the shares on the date the agreement was entered.

The following table reflects the final allocation of the purchase price for the business of NFC to identifiable assets, intangible assets, goodwill and identifiable liabilities:

	Final Fair Value
Cash	$ —
Accounts receivable, net	—
Fixed assets	20,000
Intangible assets	180,000
Goodwill	306,227
Total identifiable assets	$ 506,227
Total identifiable liabilities	—
Total purchase price	$ 506,227

In conjunction with the cessation of the MMA operations, the Company wrote off the residual intangible and tangible assets which is included as a component of net loss from discontinued operations, net of tax, for the year ended December 31, 2018.

Final Purchase Allocation - Fight Club OC

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

	Cash	Shares	Consideration Paid
Fight Club OC	$ 207,900	693,000 [36,474]	$ 1,018,710

Among the assets purchased is a cash balance of $159,000 related to customer deposits on ticket sales for future 2017 MMA promotion events. In connection with the business acquisition, 258,818 [13,622] shares of the 693,000 [36,474] shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of Fight Club OC post-closing. Accordingly, in the event the gross profit of Fight Club OC was less than $148,500 during the 12-month period following the acquisition, all 258,818 [13,622] shares held in escrow would have been forfeited. In conjunction with the settlement with the former owner of Fight Club OC, Roy Englebrecht, the shares held in escrow were released as part of the separation agreement. The Company recorded stock based compensation expense of $55,000, the fair value of the shares on the date the agreement was entered.

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

	Final Fair Value
Cash	$ 159,000
Accounts receivable, net	—
Intangible assets	270,000
Goodwill	748,710
Total identifiable assets	$ 1,177,710
Total identifiable liabilities	(159,000)
Total purchase price	$ 1,018,710

In conjunction with the cessation of the MMA operations, the Company wrote off the residual intangible and tangible assets which is included as a component of net loss from discontinued operations, net of tax, for the year ended December 31, 2018.

Final Purchase Allocation - Victory Fighting Championship

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

	Cash	Shares	Consideration Paid
Victory Fighting Championship	$ 180,000	267,891 [14,100]	$ 822,938

In connection with the business acquisition, 121,699 [6,405] shares of the 267,891 [14,100] shares of common stock that were issued as part of the purchase price were placed into escrow to guarantee the financial performance of Victory post-closing. Accordingly, in the event the gross profit of Victory is less than $140,000 during the 12-month period following the acquisition, all 121,699 [6,405] shares held in escrow would have been forfeited. Additionally, 146,192 [7,694] shares were placed into a separate escrow to indemnify the Company for potential additional expenses incurred by Victory prior to the acquisition and to cover any uncollectible accounts receivable. During the third quarter 2018, the Company entered a separation agreement with the former owner of Victory and released the shares held under escrow, and recorded stock based compensation expense of $35,000, the fair value of the shares on the date the agreement was entered.

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

	Final Fair Value
Cash	$ —
Accounts receivable, net	32,180
Fixed assets	30,000
Intangible assets	290,000
Goodwill	578,167
Total identifiable assets	$ 930,347
Total identifiable liabilities	(107,409)
Total purchase price	$ 822,938

In conjunction with the cessation of the MMA operations, the Company wrote off the residual intangible and tangible assets which is included as a component of net loss from discontinued operations, net of tax, for the year ended December 31, 2018.

Note 6. Goodwill and Purchased Identifiable Intangible Assets

Goodwill

In May 2018, the Company ceased all professional MMA promotion operations and committed to an exit/disposal plan of the promotion businesses. In September 2018, the Company ceased all sports management operations and extended its exit/disposal plan to SuckerPunch. In conjunction with the discontinued operations, $5,963,537 of goodwill was classified as a component of long term assets - discontinued operations within the December 31, 2017, consolidated balance sheet, which was subsequently impaired during 2018 and is included as a component of net loss from discontinued operations, net of tax. See Note 4 - Discontinued Operations.

Intangible Assets

During the second quarter of 2018, the Company recorded an intangible impairment charge of $231,037 related to the write down of the ticketing software and promoter relationships acquired intangible assets from the CageTix business acquisitions, which is included as a component of operating expenses for the year ended December 31, 2018.

During the second quarter of 2018, the Company recorded an intangible impairment charge of $182,546 related to the write down of the trademark and brand, fighter contracts, and sponsor relationships acquired intangible assets from the SuckerPunch business acquisitions, which is included as a component of net loss from discontinued operations, net of tax, for the year ended December 31, 2018.

Identified intangible assets consist of the following:

		December 31, 2018				December 31, 2017		
Intangible assets	Useful Life	Gross Assets	Accumulated Amortization	Impairment	Net	Gross Assets	Accumulated Amortization	Net
Ticketing software	3 years	$ 90,000	$ (52,500)	$ (37,500)	$ —	$ 90,000	$ (37,500)	$ 52,500
Promoter relationships	6 years	277,099	(83,562)	(193,537)	—	277,099	(57,729)	219,370
Total intangible assets		$ 367,099	$ (136,062)	$ (231,037)	$ —	$ 367,099	$ (95,229)	$ 271,870

Amortization expense for the year ended December 31, 2018 and 2017, was $40,833 and $76,183, respectively.

In May 2018, the Company ceased all professional MMA promotion operations and committed to an exit/disposal plan of the promotion business. On September 13, 2018, the Company ceased operations of the Sports Management business and began a plan of disposition. In conjunction with the discontinued operations, $2.6 million of intangible assets, net, were classified as long term assets - discontinued operations within the December 31, 2017, consolidated balance sheet, which were disposed of during the second quarter of 2018.

As of December 31, 2018, there were no intangible assets.

Note 7. Debt

Notes Payable

In December 2017, the Company issued a promissory note to an individual for $300,000 of borrowings for operating capital leading up to the Company's public offering in January 2018. The note had a maturity of 30 days, an annual interest rate of 40%, and was paid in full at maturity in January 2018 including interest of $45,000. The note was personally guaranteed by Joseph Gamberale, a board member of the Company at the time.

In May 2018, the Company issued a promissory note to an individual for $90,000 of borrowings for operating capital. The note had a maturity of June 30, 2018, an annual interest rate of 6%, and was paid in full in June 2018, including interest of $625. The note was secured by our common shares in SuckerPunch.

On May 9, 2018, the Company borrowed $200,000 from an individual pursuant to a promissory note. The note bears interest at 40% annually and initially matured on June 25, 2018. In June 2018, the note holder agreed to extend the maturity to December 31, 2018. In September 2018, the Company agreed to issue the note holder 200,000 [10,526] common shares with a fair value of $58,000 and 50,000 [2,632] warrants with an exercise price of $0.29 [$5.51], term of 5 years, and Black-Scholes fair value of $8,500, which is a component of stock based compensation, in exchange for the note holder's agreement to convert all interest under the loan into common stock and extend the note to December 31, 2018. Mr. Gamberale personally guaranteed the note and Mr. Gamberale and Mr. Tracy agreed to subordinate their existing notes to the repayment of this note. Interest expense for the year ended December 31, 2018 was approximately $50,000.

Convertible Notes Payable

On June 28, 2018, the Company entered into an SPA with SCWorx, under which the Company agreed to sell up to $1.0 million in principal amount of convertible notes and warrants to purchase up to 671,142 [35,323] shares of common stock. The notes were originally convertible into shares of common stock at a conversion price of $0.3725 [$7.0775] and bore interest at 10% annually. The warrants were originally exercisable for shares of common stock at an exercise price of $0.3725 [$7.0775].

Under the SPA, SCWorx agreed to fund (i) $500,000 at the initial closing, (ii) a second tranche of $250,000 upon the signing of a business combination agreement with the Company and (iii) a third tranche of $250,000 upon mutual agreement of the Company and SCWorx.

On December 18, 2018, SCWorx agreed to increase the total amount of principal from $1.0 million $1.25 million and to reduce the conversion price of the final $500,000 installment of the aggregate $1,250,000 note purchase to $0.20 [$3.80] per share. The warrant exercise price for the related warrants to purchase 625,000 [32,895,] shares was reduced to $0.30 [$5.70] per share.

Pursuant to the SCWorx SPA, during 2018, the Company sold SCWorx convertible notes in the principal amount of $1,035,000 and warrants to purchase an aggregate of 859,606 [45,242] shares of common stock, for an aggregate purchase price of approximately $1,035,000. The note for $750,000 bears interest at 10% annually and matures on July 31, 2019. This note was amended in January 2019 to reduce the conversion price to $0.215 [$4.09] per share. The related warrant to acquire 503,356 [26,492] common shares has an exercise price of $0.3725 [$7.0775], a term of five years and was vested upon grant. The note for $275,000 has a conversion price of $0.20 [$3.80], bears interest at 10% annually and matures on June 22, 2019. The warrant to acquire 356,250 [18,750] common shares has an exercise price of $0.30 [$5.70], a term of five years and was vested upon grant.

The Company has accounted for the amendment of its convertible promissory notes as a modification, not an extinguishment, under GAAP.

Warrants Liability

The Company has recorded a derivative warrant liability in relation to the contingent put option upon the occurrence of a "fundamental transaction", as defined. The fair value of the derivative warrant liability (and related debt discount) at the date of issuance was determined using the Black-Scholes option pricing model, which was deemed not to be materially different than the fair value as would have been determined using an open simulation model such as the Monte Carlo. The Black-Scholes model uses a combination of observable inputs (Level 2) and unobservable inputs (Level 3) in calculating fair value.

The assumptions used to measure the fair value of the warrants as of their issuance date and as of December 31, 2018 were as follows:

	Issuance Date	December 31, 2018
Risk-Free Interest Rate	2.73%	2.51%
Expected Dividend Yield	0%	0%
Expected Volatility	91.95%	91.95%
Term	5 years	4.97 years
Fair Market Value of Common Stock	$ 0.3275	$ 0.16

The values of the derivative warrant liability at issuance and as of December 31, 2018 were $147,000 and $88,000, respectively, resulting in a gain on change in fair value of $59,000.

Derivative Liability

The Company has recorded a derivative liability in relation to the contingent put option within its convertible note agreements, upon the occurrence of a "fundamental transaction", as defined. The fair value of the derivative liability (and related debt discount) at the date of issuance was determined using the Black-Scholes option pricing model, which was deemed not to be materially different than the fair value as would have been determined using an open simulation model such as the Monte Carlo. The Black-Scholes model uses a combination of observable inputs (Level 2) and unobservable inputs (Level 3) in calculating fair value.

The assumptions used to measure the fair value of the derivatives as of their related convertible notes' issuance date and as of December 31, 2018 were as follows:

	Issuance Date	December 31, 2018
Risk-Free Interest Rate	2.33%	2.63%
Expected Dividend Yield	0%	0%
Expected Volatility	140.79%	117.07%
Term	1 year	.99 year
Fair Market Value of Common Stock	$ 0.3324	$ 0.1619

The values of the derivative liability at issuance and as of December 31, 2018 were $9,000 and $13,800, respectively, resulting in a loss on change in fair value of $4,400.

Additional Information

The SCWorx acquisition closed on February 1, 2019 and the principal and accrued interest converted in to shares of the Company's common stock.

The Company applied a portion of the proceeds from the note to repay the aforementioned $90,000 promissory note. Accordingly, the lien on the capital stock of SuckerPunch Entertainment was released.

Interest expense, for borrowings under the various SCWorx notes, for the year ended December 31, 2018 was approximately $108,000.

The Company recorded non – cash interest expense in the amounts of $45,000 and $4,700 in relation to amortization of debt discount on the warrants and derivative liabilities, respectively.

Related Party Promissory Notes

On April 10, 2018, the Company borrowed a total of $300,000 from two of its former board members, Joseph Gamberale and Joel Tracy, pursuant to promissory notes of $150,000, respectively. The notes bear interest at 12% annually and matured May 21, 2018. Mr. Gamberale personally guaranteed Mr. Tracy's note.

Interest expense for the year ended December 31, 2018 was approximately $12,000 for the note with Mr. Gamberale and $14,000 for Mr. Tracy's note.

On May 21, 2018 Mr. Gamberale agreed to extend the maturity to August 31, 2018. The repayment of this note was subordinate to the $200,000 promissory note of May 9, 2018. In July 2018, Mr. Gamberale agreed to convert his note to common shares (at a rate of $.3725 [$7.0775] per share) and warrants (25% warrant coverage with an exercise price of $.3725 [$7.0775] per share) (same as the original terms of the first $750,000 of the SCWorx investment). In October 2018, this arrangement was amended and Mr. Gamberale chose to participate in the Series A Preferred Stock placement. As of the date of this report, the note and accrued interest has been converted into shares of the Company's Series A Preferred Stock and related warrants.

On May 21, 2018 Mr. Tracy agreed to extend the maturity to December 31, 2018. In November, Mr. Tracy chose to participate in the Series A Preferred Stock placement. As of the date of this report, the note and accrued interest has been converted into shares of the Company's preferred stock.

Note 8. Commitments and Contingencies

Operating Leases

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

In November 2016, the Company entered a sublease agreement for office and video production space in Cherry Hill, New Jersey. The lease originally expired on June 30, 2019. In June 2018, the Company abandoned the facility and on June 21, 2018 the sub-landlord filed suit against the Company for non-payment of rent. In January 2019, the Company settled the suit and agreed to pay $75,000 and issue warrants having a Black-Scholes value of $50,000. The Company had previously accrued the amount due of $167,475 as a result of the settlement, the Company realized a gain on the settlement of $42,475, which is included in the discontinued operations results for the year ended December 31, 2018

With the acquisition of FCOC, the Company originally assumed a lease for office space in Orange County, California. The lease originally expired in September 2018. In conjunction with the discontinued operations the Company agreed to sell Fight Club OC to the former owner Roy Englebrecht which included the Orange County, California office lease.

Lease expense for the Cherry Hill, New Jersey and Orange County, CA facilities is included as a component of net loss from discontinued operations, net of tax.

Each of the acquired businesses operated from home offices or shared office space arrangements.

Warrants

In conjunction with the stock offering completed in January 2018, the Company issued warrants with a provision requiring the Company to pay the warrant holder the Black - Scholes value of the warrant upon a fundamental transaction. On August 20, 2018, the Company entered into a Stock Exchange Agreement with SCWorx. which upon the closing in February 2019, qualified as a fundamental transaction within the meaning of the warrant agreement. The stock price at the time of announcement was approximately $0.20 [$3.80], the Black - Scholes value would approximate $2.68 per share based upon volatility and risk-free interest rate. As of the date of this report, there were approximately 1,060,000 [55,790] warrants outstanding which are subject to this Black - Scholes payout provision.

Contingencies

Legal Proceedings

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

In April and May 2017, respectively, two purported securities class action complaints-*Shapiro v. Alliance MMA, Inc*., No. 1:17-cv-2583 (D.N.J.), and *Shulman v. Alliance MMA, Inc.* , No. 1:17-cv-3282 (S.D.N.Y.)-were filed against the Company and certain of its officers in the United States District Court for the District of New Jersey and the United States District Court for the Southern District of New York, respectively. The complaints alleged that the defendants violated certain provisions of the federal securities laws, and purported to seek damages in an amount to be alleged on behalf of a class of shareholders who purchased the Company's common stock pursuant or traceable to the Company's initial public offering. In July 2017, the plaintiffs in the New York action voluntarily dismissed their claim and, on March 8, 2018, the parties reached a settlement to the New Jersey action in which the carrier for our directors and officers liability insurance policy has agreed to cover Alliance's financial obligations, including legal fees, under the settlement arrangement, subject to our payment of a deductible of $250,000, which has been paid in full as of the date of this report. The complaint was dismissed in October 2018.

In October 2017, a shareholder derivative claim based on the same facts that were alleged in the class action complaints was filed against the directors of the Company in the District Court for the District New Jersey; however, a complaint was not served on the defendants and, on February 2, 2018 the claim was dismissed by the District Court.

In June 2018, the landlord of our Cherry Hill, New Jersey office filed suit against the Company for non-payment of rent. The Company successfully negotiated a settlement of $75,000 and issuance of a warrant to acquire 384,750 [20,250] shares. The Company originally recorded $167,000 of expense related to the lease within net loss from discontinued operations, net of tax, for the cost of the remaining payments under the lease agreement. In January 2019, the Company settled the suit by agreeing to pay $75,000 of cash and issue $50,000 (Black-Scholes value) of warrants to acquire common stock.

In June 2018, the Company's former President, Robert Haydak, filed suit against the Company. The Company and Mr. Haydak resolved the suit effective July 2018 with the Company agreeing on a cash settlement of $50,000, and delivery of certain MMA promotion fixed assets. The Company accrued the settlement which is included within net loss from discontinued operations, net of tax, and current liabilities - discontinued operations balance as of December 31, 2018. The Company paid the amount owed during February 2019.

On December 19, 2018, the Company's former CEO, Robert L. Mazzeo, who resigned on May 25, 2018, served a complaint against the Company in the United States District Court for the Southern District of NY. Mazzeo alleges that he (i) was fraudulently induced to become the CEO of the Company and (ii) entered into an employment contract with the Company and that the Company breached said alleged contract. Mazzeo seeks damages in "excess of $500,000." The Company believes that the lawsuit is frivolous and violative of Rule 11 of the Federal Rules of Civil Procedure. The Company filed an answer to the complaint on February 5, 2019, and in addition to mounting a vigorous defense, filed counter claims alleging breach of fiduciary duty.

Most Favored Nation Issuance

On October 19, 2018, the Company issued Red Diamond Partners 794,483 [41,815] shares of common stock in consideration of a "most favored nation" clause contained in a common stock subscription agreement. Under a clause in the subscription agreement, if the Company issued lower priced securities subsequent to the sale to the investor, then the Company would be required to re-price the investor's shares to the lower price and issue additional shares accordingly. In relation to the settlement agreement the parties terminated the original agreement. A non-cash dividend of $200,000 was changed on the consolidated statement of operations for the year ended December 31, 2018, in regards to this re-pricing.

Earn Out

Management evaluated the financial performance of CFFC, COGA, HFC, Shogun, V3, CageTix, and IT Fight Series in 2017 compared to the earn out thresholds as described in the respective Asset Purchase Agreements. Based upon management's estimates, the Company recorded an earn out liability in 2017 of approximately $310,000 related to Shogun's financial results. In conjunction with the cessation of the professional MMA promotions, the Company sold the Shogun promotion to the former owner and settled the earn out liability with the issuance of 366,072 [19,267] options with an exercise price of $0.35 [$6.65] per option and Black-Scholes value of $94,000. None of the other businesses met their earn out targets during 2018.

Note 9. Stockholders' Equity

Stock Offering

On January 9, 2018, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Maxim Group LLC, acting as sole book-running manager (the "Underwriter"), for a secondary public offering (the "Offering") of a combination of 2,150,000 [113,158] shares of common stock, par value $0.001 per share (the "Common Stock") of the Company, and 1,935,000 [101,842] warrants to purchase 1,935,000 [101,842] shares of common stock (the "Warrants"). Each share of common stock was sold in combination with a warrant to purchase 0.90 [0.05] shares of common stock. The Warrants have a five-year term and an original exercise price of $1.10 [$20.90] per share.

The warrants have a price adjustment provision ("ratchet") in cases where the Company sells common stock or settles liabilities with equity, at a lower price than is reflected in the Warrants. During June, July and August, the Company completed qualifying transactions under the SCWorx note resulting in the Warrant exercise price being adjusted to $0.31 [$5.89] in June and $0.29 [$5.51] in July, which is the lowest amount the warrant can be repriced to. Based upon ASU 2017-11, the decrease in the exercise price of the warrant has been fair valued at approximately $190,000 and accounted for as a non-cash dividend within the consolidated balance sheet. The warrant also has a provision requiring the Company to pay the warrant holders the Black-Scholes value of the warrant upon consummation of a fundamental transaction. On August 20, 2018, the Company entered a stock exchange agreement with SCWorx which, upon closing, meets this definition. For illustration purposes only, the stock price at closing was $4.40, the Black-Scholes value was approximately $2.68 per share. As of the date this filing, there were approximately 1,060,000 [56,000] warrants outstanding which are subject to this Black-Scholes payout provision.

The Offering price was $1.00 [$19.00] per share of Common Stock and related Warrant and the Underwriter had agreed to purchase the shares of Common Stock and related Warrants from the Company at a 7.0% discount to the Offering price. In addition, the Company granted to the Underwriter a 45-day option to purchase up to an additional 322,500 [16,974] shares of Common Stock and/or 290,250 [15,276] Warrants to purchase 290,250 [15,276] shares of Common Stock at the same price to cover over-allotments, if any. The underwriter exercised this option is February 2018 resulting in an additional $50,000 from the sale and issuance of 50,000 [2,632] shares and 272,500 [14,342] warrants. The Underwriting Agreement contains customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company and the Underwriter, including for liabilities under the Securities Act of 1933, as amended, other obligations of the parties and termination provisions.

The gross proceeds to the Company from the Offering and overallotment were approximately $2.2 million before underwriting discounts and commissions and other offering expenses.

The Offering was made pursuant to an effective shelf registration statement on Form S-3 that was declared effective by the Securities and Exchange Commission on December 1, 2017 and a prospectus supplement, dated January 9, 2018, together with the accompanying base prospectus.

One of our former board members, Joseph Gamberale, participated in the offering and acquired 25,000 [1,316] units which included 22,500 [1,184] warrants.

Common Stock Private Placements

In July 2017, the board of directors approved the issuance of up to $2.5 million of our common stock in one or more private placements.

In July 2017, Board members and an employee executed subscription agreements for 513,761 [27,040] units at a purchase price of $1.09 [$20.71] per unit. In August 2017, the Company determined that the amount raised through such sales was insufficient to meet its current needs, and accordingly solicited subscription agreements from third parties for 965,000 [50,789] units at $1.00 [$19.00] per unit. Each unit sold in these placements consists of one restricted share of AMMA common stock and a warrant to acquire one share of common stock at an exercise price of $1.50 [$28.50] per share. The Company issued all 1,478,761 [77,830] shares of common stock sold in these placements on August 29, 2017.

In October and November 2017, the Company solicited subscription agreements from third parties for 390,000 [20,526] units at $1.25 [$23.75] per unit. Each unit sold in the placement consists of one restricted share of AMMA common stock and a warrant to acquire one half a share of common stock, 195,000 [10,263] shares in total, at an exercise price of $1.75 [$33.25] per share.

The warrant issued with the October common stock placement included a price ratchet provision for cases where the Company sells common stock or settles liabilities with equity, at a lower price than is reflected in the warrants. The Company completed a transaction which resulted in the warrant exercise price being adjusted to $1.10 [$20.90]. Based upon ASU 2017-11, the decrease in the exercise price of the warrant has been fair valued at approximately $10,000 and accounted for as a non-cash dividend within the consolidated balance sheet. There is no further reduction to the exercise price as this provision has expired.

Common Stock Grant

In February 2017, the Company entered a consulting arrangement with DC Consulting for management consulting services with a term of one year and included the grant of 150,000 [7,895] shares subject to board of director approval. In July 2017, the Company issued the 150,000 [7,895] restricted shares to DC Consulting under the arrangement and recognized stock-based compensation of approximately $148,000, the fair value of the shares on the date of issuance.

Option Grants

In August 2016, the Company entered into an employment agreement with John Price as the Company's Chief Financial Officer. In connection with Mr. Price's employment he was awarded a stock option grant to acquire 200,000 [10,526] shares of the Company's common stock. The stock option had a term of ten years, an exercise price of $4.50 [$85.50], and a grant date fair value of $364,326, and vested one third of the shares on the one year anniversary of the grant date and one third annually thereafter. The Company recognized $61,000 of stock-based compensation expense during the second quarter of 2018. On June 6, 2018, the Company cancelled the original stock option grant and issued a new stock option grant to acquire 200,000 [10,526] shares of the Company's common stock. The stock option has a term of five years, an exercise price of $0.36 [$6.84], was vested upon grant, and had a grant date fair value of $42,000. The Company determined the fair value of the stock option using the Black - Scholes model. On September 13, 2018, the Company awarded John Price, then the Company's President and CFO, a stock option to acquire 250,000 [13,158] shares of the Company's common stock. The option has a term of five years, an exercise price of $0.31 [$5.89], and a grant date fair value of $55,000, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On February 1, 2017, the Company entered into an employment agreement with James Byrne as the Company's Chief Marketing Officer. In connection with Mr. Byrne's employment he was awarded a stock option grant to acquire 100,000 [5,263] shares of the Company's common stock. The stock option had a term of 5 years, an exercise price of $3.55 [$67.45], and a grant date fair value of $247,882, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model. In February 2018, Mr. Byrne was terminated, and in May 2018, the Company entered a separation agreement for $25,000 and agreed to cancel Mr. Byrne's existing stock option grant and issue a new award. On June 27, 2018, the Company issued a stock option grant outside the 2016 Equity Incentive Plan to acquire 100,000 [5,263] shares of the Company's common stock. The stock option has a term of 5 years, an exercise price of $0.31 [$5.89] per share, was vested upon grant, and had a grant date fair value of $17,000. The Company determined the fair value of the stock option using the Black- Scholes model.

On May 25, 2018, the Company commenced the cessation of the professional MMA promotion business. In relation to the disposal of the Iron Tiger Fight Series promotion, the Company awarded the former owner, Scott Sheeley, a stock option grant to acquire 30,000 [1,579] shares of the Company's common stock. The stock option has a term of five years, an exercise price of $0.35 [$6.65] and a Black - Scholes value of $7,674, which is included as a component of net loss from discontinued operations, net of taxes.

In December 2018, the Company entered into an employment termination agreement with Ira Rainess. In connection with Mr. Rainess' termination he was awarded a stock option grant to acquire 350,000 [18,421] shares of the Company's common stock. The stock option had a term of 3 years, exercise price of $0.25 [$4.75], and a grant date fair value of $38,500 and was fully vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

Stock Option Plan

On December 19, 2016, the board of directors of the Company awarded stock option grants under the 2016 Equity Incentive Plan to four employees to acquire an aggregate of 200,000 [10,526] shares of the Company's common stock. The stock options had a term of 10 years and an exercise price of $3.56 [$67.64] per share, vested annually over three years in three equal tranches and had a grant date fair value of $497,840. The Company determined the fair value of the stock options using the Black-Scholes model. Each award was accepted by the recipient during the first quarter 2017 at which point the Company began to recognize stock-based compensation expense. In May 2018, in conjunction with the cessation of the professional MMA business, three of the employees were terminated, and 100,000 [5,263] unvested options were returned to the plan as forfeited. During the third quarter an additional 50,000 [2,632] unvested options were returned to the plan as forfeited.

On May 15, 2017, the Company entered into an employment agreement with Ira Rainess as the Company's EVP of Business Affairs. In connection with Mr. Rainess' employment, in September 2017, he was awarded a stock option grant to acquire 100,000 [5,263] shares of the Company's common stock. The stock option has a term of 3 years, an exercise price of $1.30 [$24.70], and a grant date fair value of $53,306, and vests one half of the shares on the one year anniversary of the grant date and one half on the second anniversary. The Company determined the fair value of the stock option using the Black-Scholes model.

On December 17, 2017, the Company awarded Robert Mazzeo, the Company's external General Counsel at that time, a stock option grant to acquire 125,000 [6,579] shares of the Company's common stock. The option had a term of three years, an exercise price of $1.50 [$28.50], and a grant date fair value of $77,500, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

In March 2018, the board of directors authorized stock option grants to Robert Mazzeo, CEO and Ira Rainess EVP of Business Affairs. Mazzeo and Mr. Rainess were each awarded options to acquire 250,000 [13,158] shares with an exercise price of $0.53 [$10.07] and vested upon grant. As of the date of this report the option agreements had not been issued. As both Mr. Mazzeo and Mr. Rainess are no longer employed by the Company and the option was not issued, and the period to exercise the awards expired, the Company cancelled the option grants during the fourth quarter of 2018.

As disclosed above, in December 2018, the Company entered into an employment termination agreement with Ira Rainess. In connection with Mr. Rainess' termination he was awarded a stock option grant to acquire 350,000 [18,421] shares of the Company's common stock. The stock option had a term of 3 years, exercise price of $0.25 [$4.75], and a grant date fair value of $38,500 and was fully vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On May 25, 2018, the Company commenced cessation of the professional MMA promotion business. In relation to the disposal of the Shogun promotion, the Company awarded the former owner, John Rallo, a stock option grant to acquire 366,072 [19,267] shares of the Company's common stock. The stock option was vested upon grant, has a term of five years, an exercise price of $0.35 [$6.65] and a Black-Scholes value of $94,000. The option award was issued as settlement of the $310,000 earn-out, the Company realized a gain of $216,000, which is included as a component of net loss from discontinued operations, net of taxes.

On June 6, 2018, the Company awarded Burt Watson, the Company's Vice President of Operations, a stock option grant to acquire 75,000 [3,947] shares of the Company's common stock. The option has a term of five years, an exercise price of $0.36 [$6.84], and a grant date fair value of $19,100, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On June 6, 2018, the Company awarded each of its directors, Joe Gamberale, Joel Tracy and Burt Watson, a stock option grant to acquire 150,000 [7,895] shares of the Company's common stock. Each option has a term of five years, an exercise price of $0.36 [$6.84], and a grant date fair value of $38,000, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On July 30, 2018, in relation to the disposal of the CFFC promotion, the Company awarded the former owner, Michael Constantino, a stock option grant to acquire 75,000 [3,947] shares of the Company's common stock. The stock option has a term of five years, an exercise price of $0.20 [$3.80] and a grant date fair value of $10,500 and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes Model. The grant date fair value is included as a component of net loss from discontinued operations, net of taxes. The effective date of the agreement was May 31, 2018.

On August 14, 2018, the Company awarded John Price, the Company's President and CFO, a stock option grant to acquire 200,000 [10,526] shares of the Company's common stock. The option has a term of five years, an exercise price of $0.18 [$3.42], and a grant date fair value of $25,000, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On September 13, 2018, the Company awarded John Price, the Company's President and CFO, a stock option grant to acquire 250,000 [13,158] shares of the Company's common stock. The option has a term of five years, an exercise price of $0.31 [$5.89], and a grant date fair value of $55,000, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On September 13, 2018, the Company awarded Joseph Gamberale, the Company's board member, a stock option grant to acquire 250,000 [13,158] shares of the Company's common stock. The option has a term of five years, an exercise price of $0.31 [$5.89], and a grant date fair value of $55,000, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On September 13, 2018, the Company awarded Jason Schneider, the Company's Vice President of Operations, a stock option grant to acquire 75,000 [3,947] shares of the Company's common stock. The option has a term of five years, an exercise price of $0.31 [$5.89], and a grant date fair value of $16,500, and was fully-vested upon grant. The Company determined the fair value of the stock option using the Black-Scholes model.

On January 30, 2019, the shareholders of the Company approved an increase in number of shares available under the 2016 Equity Incentive Plan to 3,000,000 shares (split adjusted).

Warrant Grants

On January 4, 2017, in connection with the acquisition of SuckerPunch, the Company entered an employment agreement with Bryan Hamper as Managing Director. Mr. Hamper was awarded a warrant to acquire 93,583 [4,925] shares of the Company's common stock. The warrant has a term of 5 years, an exercise price of $3.74 [$71.06], and a grant date fair value of $181,920, and was fully-vested upon grant and is included as a component of the SuckerPunch purchase price. The Company determined the fair value of the warrant using the Black-Scholes model. In September 2018, the Company disposed of SuckerPunch and agreed to reprice the warrant to acquire 93,583 [4,925] common shares to $0.3725 [$7.0775] per share. The Company recognized a stock based compensation expense of $10,000 related to the repricing.

On March 10, 2017, the Company entered into a service agreement with World Wide Holdings and issued a warrant to acquire 250,000 [13,158] shares of the Company's common stock. The warrant has an exercise price of $4.50 [$85.50], term of three years and vest in equal one third increments on April 1, July 1 and October 1, 2017. The Company determined the fair value of the warrant to be $169,000 which was expensed in the second quarter of 2017. The Company determined the fair value of the warrant using the Black-Scholes model.

On January 12, 2018, the Company entered into a service agreement with National Services, LLC ("National"), and issued a warrant to acquire 100,000 [5,263] shares of the Company's common stock. The warrant has an exercise price of $1.10 [$20.90], term of five years and was vested upon grant. The service agreement allowed National to earn up to 300,000 [15,789] additional warrants, each with an exercise price of $1.10 [$20.90] and five-year term, based upon achieving certain designated milestones. The Company terminated the agreement during the third quarter 2018 and issued no additional warrants. The Company determined the fair value of the warrant to be $38,000 which was expensed in the first quarter of 2018. The Company determined the fair value of the warrant using the Black-Scholes model.

On April 11, 2018, the Company entered into a service agreement with a consultant, and issued a warrant to acquire 100,000 [5,263] shares of the Company's common stock. The warrant has an exercise price of $1.10 [$20.90], term of five years and was vested upon grant. The Company determined the fair value of the warrant using the Black-Scholes model and determined the value to be $25,580, which was expensed during the second quarter of 2018.

In May 2018, the Company issued a promissory note to Joel D. Tracy, a director, for $200,000 of borrowings for operating capital. In September 2018, the Company agreed to issue the note holder 200,000 [10,526] common shares with a fair value of $58,000 and 50,000 [2,632] warrants with an exercise price of $0.29 [$5.51] and term of five years and a fair value of $8,500, in exchange for the noteholder's agreement to convert all interest under the loan into shares of the Company's common stock, and extend the note to December 31, 2018. On November 30, 2018, the noteholder agreed to convert the note and accrued interest in the aggregate amount of $250,622.34 into 25,062 Series A Preferred Shares and warrants which were issued during the first quarter 2019.

During the second, third and fourth quarters of 2018 and first quarter of 2019, the Company issued warrants to SCWorx in relation to the borrowing under note agreements. The Company issued warrants to purchase 503,356 [26,492] common shares with an exercise price of $0.3725 [$7.0775] per share in relation to the $750,000 note. The Company also issued warrants to purchase 356,250 [18,750] common shares with an exercise price of $0.30 [$5.70] per share, in relation to the $500,000 note.

The number of shares of the Company's common stock that are issuable pursuant to warrant and stock option grants with time-based vesting as of December 31, 2018 are:

Before reverse stock split

	Warrant Grants		Stock Option Grants	
	Number of Shares Subject to Warrants	Weighted-Average Exercise Price Per Share	Number of Shares Subject to Options	Weighted-Average Exercise Price Per Share
Balance at December 31, 2017	2,239,574	$ 2.54	725,000	$ 3.15
Granted	3,316,856	0.37	2,421,072	0.31
Exercised	(1,056,750)	0.29	(80,645)	0.31
Cancelled/Forfeited	-	-	(500,000)	3.93
Balance at December 31, 2018	4,499,680	$ 1.47	2,565,427	$ 0.41
Exercisable at December 31, 2018	4,499,680	$ 1.47	2,544,594	$ 0.42

Reflective of one-for-nineteen reverse stock split

	Warrant Grants		Stock Option Grants	
	Number of Shares Subject to Warrants	Weighted-Average Exercise Price Per Share	Number of Shares Subject to Options	Weighted-Average Exercise Price Per Share
Balance at December 31, 2017	117,872	$ 48.23	38,158	$ 59.87
Granted	174,571	6.95	127,425	5.87
Exercised	(55,618)	5.51	(4,244)	5.89
Cancelled/Forfeited	-	-	(26,316)	67.98
Balance at December 31, 2018	236,825	$ 27.84	135,023	$ 7.70
Exercisable at December 31, 2018	236,825	$ 27.84	133,926	$ 7.90

As of December 31, 2018 and 2017, the total unrecognized expense for unvested stock options, net of expected forfeitures, was approximately $0 and $564,184, respectively.

Stock-based compensation expense for the years ended December 31, 2018 and 2017 is as follows:

	Year Ended December 31,	
	2018	2017
General and administrative expense	$ 738,503	$ 516,843

Stock-based compensation expense for discontinued operations for the year ended December 31, 2018 and 2017 is as follows:

	Year Ended December 31,	
	2018	2017
Net loss from discontinued operations, net of tax	$ 397,617	$ 427,155

Stock-based compensation expense categorized by the equity components for the year ended December 31, 2018 and 2017 is as follows:

	Year Ended December 31,	
	2018	2017
Stock option awards	$ 612,410	$ 626,097
Warrants	82,080	169,401
Common stock	441,630	148,500
	$ 1,136,120	$ 943,998

Note 10. Net Loss per Share

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

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

	Year Ended December 31,	
	2018	2017
Net loss from continuing operations	$ (3,787,499)	$ (3,171,059)
Non-cash dividend	(200,000)	-
Adjusted net loss from continuing operations applicable to common shareholders	$ (3,987,499)	$ (3,171,059)
Weighted-average common shares used in computing net loss per share, basic and diluted (pre-split)	15,460,391	10,679,898
Weighted-average common shares used in computing net loss per share, basic and diluted (post-split)	813,705	562,100
Adjusted net loss per share, basic and diluted	$ (0.26)	$ (0.30)
Adjusted net loss per share, basic and diluted reflective of one-for-nineteen reverse stock split	$ (4.90)	$ (5.64)

	Year Ended December 31,	
	2018	2017
Net loss	$ (14,592,246)	$ (11,978,563)
Non-cash dividend	(200,000)	-
Adjusted net loss applicable to common shareholders	$ (14,792,246)	$ (11,978,563)
Weighted-average common shares used in computing net loss per share, basic and diluted (pre-split)	15,460,391	10,679,898
Weighted-average common shares used in computing net loss per share, basic and diluted (post-split)	813,705	562,100
Adjusted net loss per share, basic and diluted	$ (0.96)	$ (1.12)
Adjusted net loss per share, basic and diluted reflective of one-for-nineteen reverse stock split	$ (18.18)	$ (21.31)

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

	Year Ended December 31,	
	2018	2017
Stock options (exercise price $0.18 [$3.42] - $4.50 [$85.50] per share)	2,565,427	725,000
Warrants (exercise price $0.30 [$5.70] - $7.43 [$141.17])	4,499,680	2,239,574
Total common stock equivalents	7,065,107	2,964,574

NOTE 11. INCOME TAXES

The components of loss before benefit from income taxes for the years ended December 31, 2018 and 2017 are as follows:

	Years ended December 31,	
	2018	2017
Domestic	$ (3,787,499)	$ (6,499,840)
Foreign	-	-
Loss before income taxes	$ (3,787,499)	$ (6,499,840)

The Company incurred income tax expense of $0 and income tax benefit of $0 for the years ended December 31, 2018 and 2017, respectively. The income tax expense (benefit) for the year ended December 31, 2018 and 2017 includes the following:

	Year Ended December 31,	
	2018	2017
Current income tax expense:		
U.S. Federal	$ -	$ -
U.S. State	-	-
Total current	-	-
Deferred:		
U.S. Federal	-	-
U.S. State	-	-
Total deferred	-	-
	-	-
Total expense (benefit) from income taxes	$ -	$ -

The income tax expense (benefit) differs from those computedusing the statutory federal tax rate of 21% and 34%, respectively, due to the following:

	Year Ended December 31,	
	2018	2017
Expected provision at statutory federal rate	$ (795,375)	$ (2,209,946)
State tax-net of federal benefit	-	-
Change in valuation allowance	795,375	775,867
IPO related costs	-	-
Rate change	-	1,434,079
Goodwill impairment	-	-
Other	-	-
	$ -	$ -

The effect of temporary differences that gave rise to significant portions of deferred tax assets as of December 31, 2018 and 2017, are as follows:

	Year Ended December 31,	
	2018	**2017**
Deferred tax assets:		
Net operating loss carryforwards	$ 5,524,492	$ 2,145,809
Accruals	-	-
Share based compensation	447,322	272,645
Start-up costs	-	248,348
Fixed assets	-	8,206
Intangibles	-	370,681
Other	848,781	32
Gross deferred tax assets	6,820,595	3,045,721
Valuation allowance	(6,820,595)	(3,045,721)
Net deferred tax assets	-	-
Fixed assets	-	-
Intangibles	-	-
Other	-	(23,942)
Deferred tax liability	-	(23,942)
Net deferred tax liability	$ -	$ (23,942)

As of December 31, 2018, the Company has a federal net operating loss carry-forward of $21.6 million available to offset future taxable income. The Company has state loss carry-forwards of $13.3 million. Future utilization of net operating losses may be limited due to potential ownership changes under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). These net operating loss carry-forwards have expiration dates starting in 2031 through 2037.

The valuation allowance as of December 31, 2018 was $6.8 million. The net change in valuation allowance for the year ended December 31, 2018 was an increase of $3.8 million. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a full valuation allowance as of December 31, 2018.

As of December 31, 2017, the Company has a federal net operating loss carry-forward of $7.8 million available to offset future taxable income. The Company has state loss carry-forwards of $4.8 million. Future utilization of net operating losses may be limited due to potential ownership changes under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). These net operating loss carry-forwards have expiration dates starting in 2031 through 2037.

The valuation allowance as of December 31, 2017 was $3.0 million. The net change in valuation allowance for the year ended December 31, 2017 was an increase of $1.8 million. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on consideration of these items, management has determined that enough uncertainty exists relative to the realization of the deferred income tax asset balances to warrant the application of a full valuation allowance as of December 31, 2018.

The Company has no unrecognized tax benefits during the periods presented within. By statute, all tax years are open to examination by the major taxing jurisdictions to which the Company is subject.

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act (the “Act”), which significantly changed U.S. tax law. The Act lowered the Company’s U.S. statutory federal income tax rate from 35% to 21% effective January 1, 2018. For the year ended December 31, 2017, the Company remeasured its federal deferred tax balances to reflect the lower statutory rate, offset by a change in its federal valuation allowance. As of December 31, 2018, the Company has completed its accounting for the tax effects of the Act and no adjustments have been made to its provisional estimate recorded during the year ended December 31, 2017.

Note 12. Subsequent Events

Special Meeting in Lieu of Annual Meeting of Shareholders

On January 30, 2019, the Company held a Special Meeting in lieu of Annual Meeting of Stockholders, at which the stockholders approved all four nominees for the board of directors and all other proposals submitted to the stockholders, including the SCWorx acquisition and Series A Preferred Stock financing.

Additional Borrowings Under $1,250,000 SPA

In January 2019, SCWorx provided Alliance MMA $215,000 of additional borrowings under the $1,250,000 note agreement. As of February 1, 2019, SCWorx provided the full $1,250,000 of borrowings. In connection with the closing of the SCWorx acquisition, described below, the SCWorx convertible notes were automatically converted by their terms into an aggregate 315,177 post-split adjusted shares of common stock which, along with the related warrants, were distributed to certain SCWorx investors at the direction of SCWorx.

Series A Preferred Stock Financing

In January 2019, the Company issued 550,000 shares of Series A Preferred Stock and related warrants due to investors, in connection with the closing on December 18, 2018 of the sale of Series A Preferred Stock Units in the aggregate face amount of $5,500,000. The Series A Preferred Stock is convertible into an aggregate of 1,447,368 post-split common shares (a post-split conversion price of $3.80 per share) and the related warrants are exercisable for an aggregate of 723,684 post-split common shares, at a post-split exercise price of $5.70 per share.

In addition, in January 2019, the Company issued 67,500 shares of Series A Preferred Stock and related warrants due to creditors, in satisfaction of indebtedness in the amount of approximately $676,000. The Series A Preferred Stock is convertible into an aggregate of 177,895 post-split common shares (a post-split conversion price of $3.80 per share) and the related warrants are exercisable for an aggregate of 88,948 post-split common shares, at a post-split exercise price of $5.70 per share.

Acquisition of SCWorx

On February 1, 2019 ("Closing Date"), the Company completed the acquisition of SCWorx Corp. in a stock for stock exchange transaction pursuant to the share exchange agreement, dated as of August 20, 2018, as amended by Amendment No. 1 thereto (the "Share Exchange Agreement" or "SEA"). Pursuant to the SEA, the Company acquired from the existing stockholders of SCWorx Corp. all the issued and outstanding shares of common stock of SCWorx Corp. (the "Acquisition"). In connection with the Acquisition, the Company effected a one-for-nineteen reverse stock split of its common stock and changed its name to SCWorx Corp. References to SCWorx herein refer to the company acquired by the Alliance MMA.

In connection with the Acquisition, the Company issued:

(i) 190,000 Series A Preferred Stock Units, comprised of 190,000 shares of Series A Preferred Stock ($10.00 face value per share, convertible into common stock at a post-split adjusted price per share of $3.80 (subject to adjustment), and warrants to purchase 250,000 post-split adjusted shares of common stock at a post-split adjusted exercise price of $5.70 per share), in satisfaction of approximately $1.9 Million of SCWorx indebtedness; and

(ii) approximately 5,263,158 post-split adjusted shares of the Company's common stock, each of which had a value of approximately $4.40 per share, based on the last sale price of the Company's common stock on the Closing Date

After giving effect to the Company common stock issued in connection with the Acquisition (but before exercise of outstanding rights to acquire common stock), the Company had approximately 6,546,216 shares of common stock outstanding on a post-split adjusted basis.

The Company will file the 2017 and 2018 audited financial statements of SCWorx Corp., along with required pro-forma financial information, within 75 days of the closing of the Acquisition.

In connection with the closing of the Acquisition on February 1, 2019 and as a result of the issuance of the 5,263,158 (post-split adjusted) shares of the Company's common stock, there was a change of control of the Company. Upon completion of the Acquisition, Marc S. Schessel, the majority stockholder of SCWorx, beneficially owned approximately 1,032,603 post-split adjusted shares of the Company's common stock (15.8% of the issued and outstanding shares, not including shares which were issuable to Mr. Schessel under the SEA, the right to which was transferred by him and over which Mr. Schessel has neither voting nor investment control). Mr. Schessel was the controlling shareholder of SCWorx Corp. immediately prior to the Acquisition.

The SEA provided that SCWorx would have the right to designate the officers and directors of the Company upon completion of the Acquisition. As a result, effective as of the Closing Date, Messrs. Tracy, Gamberale and Watson resigned as directors of the Company and John Price resigned the office of President but will remain as Chief Financial Officer of SCWorx post-closing.

Immediately prior to their resignation as directors, the Board of Directors appointed the following individuals, designated by SCWorx Corp. pursuant to the SEA, to serve as directors and officers of the Company post-closing:

- Ira Eliot Ritter, Director
- Francis Knuettel II, Director
- Robert Christie, Director
- Marc S. Schessel, CEO and Director
- John Price, Chief Financial Officer, Treasurer and Secretary

Charles K. Miller, who was appointed as a director in October 2018, remained as a director of the Company post-closing. At the time of their respective appointments, the compensation of the officers and directors of the Company had not been agreed upon. On February 13, 2019, the Company's Compensation Committee recommended, and its board of directors approved the compensation of the Company's officers and directors as described below. The Company's common stock closed at $6.49 per share on February 13, 2019, the grant date for all equity awards recognized in the consolidated financial statements.

In making all equity awards subject to vesting, including performance-based vesting, the Compensation Committee endeavored to structure management's equity awards so as to align management's interests with the stockholders' interest in long term value creation.

Officer Compensation	Marc S. Schessel, CEO	John Price, CFO	Vesting
Annual Cash Compensation	$400,000	$250,000	N/A
Restricted Stock Units	75,000 RSU	250,000 RSU	Quarterly over 3 years
Restricted Stock Units	25,000 RSU	37,500 RSU	Vests if the Company realizes $10M in new revenue on or before August 15, 2020
Restricted Stock Units	25,000 RSU	37,500 RSU	Vests if Company's common stock price remains at or above $20 per share on a volume weighted average basis ("VWAP") for 15 consecutive trading days
Restricted Stock Units	25,000 RSU	75,000 RSU	Vest if the Company's common stock price remains at or above $40 per share on a VWAP basis for 15 consecutive trading days

The board of directors also approved the form of employment agreement for each of Messrs. Schessel and Price.

Director Compensation	Robert Christie	Francis Knuettel II	Charles Miller	Ira Ritter	Marc Schessel
Annual Cash Compensation	N/A	N/A	N/A	N/A	N/A
Stock Options(1)	13,393	13,393	13,393	13,393	N/A

(1) These options vest in 4 quarterly installments have an exercise price of $6.49 per share and a term of 10 years.

On February 13, 2019, the SCWorx Corp.'s Board of Directors also approved management's request to retain Joseph Gamberale, as a Consultant.

Gamberale has over 25 years' experience in the financial services and capital markets sectors.Mr. Gamberale' Agreement will have a term of two years, subject to earlier termination. Under the Agreement, Mr. Gamberale's responsibilities will include overseeing the creation, development and implementation of the Company's Investor Relations program, including introductions to high net worth individuals and institutions, the dissemination of investor related information, road show plans, equity conference presentations, and all other investor relations activities. Additionally Mr. Gamberale will be required to introduce SCWorx' s service platform to health care institutions.

Mr. Gamberale will receive a combination of cash and equity compensation for his services. In making all of Mr. Gamberale' equity awards subject to vesting, including performance-based vesting, the Board of Directors endeavored to structure such awards so as to align Mr. Gamberale' interests with the stockholders' interest in long term value creation.

Mr. Gamberale compensation will be as follows:

Compensation	Amount	Vesting
Cash Compensation	$12,500 per month	N/A
Restricted Stock Units	100,000 RSU	Quarterly over 1 year
Restricted Stock Units	25,000 RSU	Vests if Company's common stock price remains at or above $10 per share on a volume weighted average basis ("VWAP") for 15 consecutive trading days
Restricted Stock Units	50,000 RSU	Vests if Company's common stock price remains at or above $15 per share on a VWAP basis for 15 consecutive trading days
Restricted Stock Units	50,000 RSU	Vests if Company's common stock price remains at or above $20 per share on a VWAP basis for 15 consecutive trading days
Restricted Stock Units	25,000 RSU	Vests if Company's common stock price remains at or above $25 per share on a VWAP basis for 15 consecutive trading days
Restricted Stock Units	50,000 RSU	Vest if the Company's common stock price remains at or above $30 per share on a VWAP basis for 15 consecutive trading days
Restricted Stock Units	50,000 RSU	Vest if the Company's common stock price remains at or above $40 per share on a VWAP basis for 15 consecutive trading days
Restricted Stock Units	50,000 RSU	Vest if the Company's common stock price remains at or above $45 per share on a VWAP basis for 15 consecutive trading days

EXHIBIT INDEX

Pursuant to the rules and regulations of the SEC, the Company has filed certain agreements as exhibits to this Annual Report on Form 10-K. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in the Company's public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe the Company's actual state of affairs at the date hereof and should not be relied upon.

Exhibit Number	Description
3.1	Certificate of Incorporation, as amended February 1, 2019*
3.3	Amended and Restated Bylaws (Incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1 (File No. 333-213166) filed with the SEC on August 16, 2016)
10.1	Second Amended and Restated 2016 Equity Incentive Plan (Incorporated by reference to Annex A to the Company's Definitive Proxy Statement filed with the SEC on January 17, 2019)
10.2	Settlement Agreement with Ira Rainess dated December 24, 2018*
10.3	Settlement Agreement with Garr Group, Inc. (regarding Cherry Hill lease) dated January 30, 2019*
10.6	HFC Agreement with Danielle Vale dated May 31, 2018 (Incorporated by reference to exhibit 10.6 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.7	FCOC Agreement with Roy Englebrecht dated May 31, 2018 (Incorporated by reference to exhibit 10.7 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.8	COGA Agreement with Joe DeRobbio dated May 31, 2018 (Incorporated by reference to exhibit 10.8 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.9	V3 Agreement with Nick Harmeier dated May 31, 2018 (Incorporated by reference to exhibit 10.9 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.10	ITFS Agreement with Scott Sheeley dated May 31, 2018 (Incorporated by reference to exhibit 10.10 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.11	Shogun Agreement with John Rallo dated May 31, 2018 (Incorporated by reference to exhibit 10.11 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.12	Agreement with Robert Haydak and Maria Haydak dated July 18, 2018 (Incorporated by reference to exhibit 10.12 to the Company's quarterly report for the quarter ended June 30, 2018, filed September 5, 2018)
10.13	Securities Purchase Agreement with SCWorx Corp dated June 28, 2018, as amended December 18, 2018 (Incorporated by reference to exhibit 10.1 to the Company's current report filed December 19, 2018)
10.14	$275,000 Convertible Note issued to SCWorx dated December 18, 2018 (Incorporated by reference to exhibit 10.2 to the Company's current report filed December 19, 2018)

10.15	Warrant dated December 18, 2018 issued to SCWorx related to $275,000 convertible note (Incorporated by reference to exhibit 10.3 to the Company's current report filed December 19, 2018)
10.16	Share Exchange Agreement with SCWorx Corp dated August 20, 2018, as amended December 18, 2018 (Incorporated by reference to exhibit 10.4 to the Company's current report filed December 19, 2018)
10.17	Securities Purchase Agreement for up to $9 million Preferred Stock Units, executed by the registrant December 18, 2018 (Incorporated by reference to exhibit 10.5 to the Company's current report filed December 19, 2018)
10.18	Certificate of Designations of Series A Convertible Preferred Stock (Incorporated by reference to exhibit 10.6 to the Company's current report filed December 19, 2018)
10.19	Form of Warrant related to Series A Convertible Preferred Stock (Incorporated by reference to exhibit 10.7 to the Company's current report filed December 19, 2018)
10.20	Executive Employment Agreement between the Company and John Price, effective February 1, 2019*
10.21	Executive Employment Agreement between the Company and Marc Schessel, effective February 1, 2019*
21.1	Subsidiaries of the Registrant*
23.1	Consent of Friedman LLP*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Section 1350 Certification of the Chief Executive Officer and Chief Financial Officer*
101	The following materials from Alliance MMA, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2017, formatted in XBRL (Extensible Business Reporting Language):
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Label Linkbase Document *
101.PRE	XBRL Taxonomy Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Document *

* Filed herewith

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "SCWORX CORP." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE TWELFTH DAY OF FEBRUARY, A.D. 2015, AT 2:49 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF INCORPORATION IS THE FIFTEENTH DAY OF FEBRUARY, A.D. 2015.

***CERTIFICATE OF CORRECTION, FILED THE NINTH DAY OF MAY, A.D.* 2016, AT 2:28 O`CLOCK P.M.**

CERTIFICATE OF RESIGNATION OF APPOINTMENT, FILED THE SEVENTEENTH DAY OF JULY, A.D. 2018, AT 3:06 O`CLOCK P.M.

***CERTIFICATE OF REVIVAL, FILED THE THIRTIETH DAY OF NOVEMBER,* A.D. 2018, AT 7:18 O`CLOCK P.M.**

5692259 8100H
SR# 20192359668
You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202536165
Date: 03-28-19

Delaware

The First State

CERTIFICATE OF DESIGNATION, FILED THE FOURTH DAY OF DECEMBER, A.D. 2018, AT 11:01 O`CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2018, AT 11:21 O`CLOCK A.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "ALLIANCE MMA, INC." TO "SCWORX CORP.", FILED THE FIRST DAY OF FEBRUARY, A.D. 2019, AT 4:48 O`CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION, "SCWORX CORP.".

5692259 8100H
SR# 20192359668
You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202536165
Date: 03-28-19

CERTIFICATE OF INCORPORATION
OF
ALLIANCE MMA, INC.

THE UNDERSIGNED, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the General Corporation Law of the State of Delaware, (the "General Corporation Law") does hereby certify as follows:

FIRST: The name of this corporation is ALLIANCE MMA, Inc. (the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 16192 Coastal Highway, in the City of Lewes, County of Sussex, 19958-7996. The name of its registered agent at such address is Harvard Business Services, Inc.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 50,000,000 shares, consisting of:

(i) 45,000,000 shares of Common Stock, $0.001 par value per share ("Common Stock"); and

(ii) 5,000 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock").

The Preferred Stock and the Common Stock shall have the rights, preferences and limitations set forth below.

A. COMMON STOCK

1. Dividends and Other Distributions. Except as otherwise provided by the General Corporation Law or this Certificate of Incorporation, the holders of Common Stock shall share ratably in all dividends as may from time to time be declared by the Board of Directors of the Corporation in respect of the Common Stock out of funds legally available for the payment thereof and payable in cash, stock or otherwise, and in all other distributions (including, without limitation, the dissolution, liquidation and winding up of the Corporation), whether in respect of liquidation or dissolution (voluntary or involuntary) or otherwise, after payment of liabilities.

2. Preemptive Rights. Other than pursuant to a written agreement between the Corporation and a holder of Common Stock, no holder of Common Stock shall have any preemptive rights with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation, whether now or hereafter authorized.

3. Voting Rights. Except as otherwise provided by the General Corporation Law or this Certificate, all of the voting power of the stockholders of the Corporation shall be vested in the holders of the Common Stock, and each holder of Common Stock shall have one vote for each share held by such holder on all matters voted upon by the stockholders of the Corporation.

B. PREFERRED STOCK

4 . Issuance and Reissuance. The Preferred Stock may be issued from time to time and in one or more series. By resolution adopted by the affirmative vote of at least a majority of the total number of Directors then in office, the Board of Directors of the Corporation is authorized to determine or alter the powers, preferences and rights, and the qualifications, limitations and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and within the limitations or restrictions stated in any resolution or resolutions of the Board of Directors adopted by the affirmative vote of at least a majority of the total number of Directors then in office, originally fixing the number of shares constituting any series of Preferred Stock to increase or decrease (but not below the number of shares of any such series of Preferred Stock, then outstanding) the number of shares of any such series of Preferred Stock and to fix the number of shares of any series of Preferred Stock. In the event that the number of shares of any series of Preferred Stock shall be so decreased, the shares constituting such decrease shall resume the status which such shares had prior to the adoption of the resolution originally fixing the number of shares of such series of Preferred Stock subject to the requirements of applicable law. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations and restrictions granted to or imposed upon, any such series of Preferred Stock may be made dependent upon facts ascertainable outside the resolutions or resolutions providing for the issue of such Preferred Stock, adopted by the affirmative vote of at least a majority of the total number of Directors then in office, provided that the manner in which such facts shall operate upon the powers, preferences and rights of, and the qualifications, limitations and restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Any of the powers, preferences and rights of, and the qualifications, limitations and restrictions granted to or imposed upon, such series of Preferred Stock is clearly and expressly set forth in the resolution or resolutions providing for the issue of such series of Preferred Stock adopted by the affirmative vote of at least a majority of the total number of Directors then in office.

5 . Preemptive Rights. Other than pursuant to a written agreement between the Corporation and a holder of Preferred Stock, no holder of Preferred Stock shall have any preemptive rights with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation, whether now or hereafter authorized.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other Jaw of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The following indemnification provisions shall apply to the persons enumerated below.

1 . Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable Jaw as it presently exists or may hereafter be amended, any person (an "Indemnified Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article Tenth, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2 . Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article Tenth or otherwise.

3 . Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article Tenth is not paid in full within 30 days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4 . Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney's fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5 . Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

6 . Non-Exclusivity of Rights. The rights conferred on any person by this Article Tenth shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

7 . Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8 . Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article Tenth; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article Tenth.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

THIRTEENTH: The Corporation expressly elects to be governed by Section 203 of the General Corporation Law.

FOURTEENTH: That Joseph Gamberale is to serve as sole director until the first annual meeting of stockholders or until his successors are elected and qualify. Mr. Gamberale's address is 2 East 55 th Street, Suite 1111**,** New York, New York 10022. The powers of the undersigned in his capacity as Incorporator shall terminate upon the filing of this Certificate of Incorporation.

*****

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of February, 2015.

ALLIANCE MMA, INC.
a Delaware corporation

By: /S/ Joseph Gamberale
Name: Joseph Gamberale
Its: Incorporator

STATE OF DELAWARE CERTIFICATE OF CORRECTION

Alliance MMA, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

1. The name of the corporation is Alliance MMA, Inc.

2. That a Certificate of Incorporation of Alliance MMA, Inc., was filed by the Secretary of State of Delaware on February 12, 2015 and that said Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracy or defect of said Certificate is contained in Article Fourth and relates to the number of shares of Preferred Stock stated in the Certificate wherein the Certificate states:

"the aggregate number of shares the corporation is authorized to issue is 50,000,000 shares consisting of (i) 45,000,000 shares of common stock, $0.001 par value per share ("Common Stock"); and (ii) **5,000** shares of Preferred Stock, $0.001 par value per share ("Preferred Stock")."

4. Article Fourth of the Certificate is corrected to read as follows:

FOURTH: The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 50,000,000 shares, consisting of:

(i) 45,000,000 shares of Common Stock, $0.001 par value per share ("Common Stock"); and

(ii) 5,000,000 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock").

The Preferred Stock and the Common Stock shall have the rights, preferences and limitations set forth below.

IN WITNESS WHEREOF, said corporation has caused this Certificate of Correction this 4th Day of May, A.D. 2016.

By: /S/ Joseph Gamberale
Name: Joseph Gamberale
Title: Director / Secretary

CERTIFICATE OF RESIGNATION

OF

REGISTERED AGENT

Pursuant to Section 136 of the Delaware General Corporation Law, Harvard Business Services, Inc. does hereby resign as registered agent for

(198 Companies - See attached List)

Written notice of the resignation was given to the corporations at least 30 days prior to the filing of the certificate by mail to the last known address for the corporations. The letter was mailed on June 15, 2018.

I, Richard H. Bell, II, Chairman of the Board of Harvard Business Services, Inc. do hereby sign this document to resign as registered agent of the above corporations on this date of July 17, 2018.

/S/ Richard H. Bell, II
Richard H. Bell, II Chairman of the Board
Harvard Business Services, Inc.

Company Name	File Number
Bob Bottel & Associates, Inc.	3315713
Global Manufacturing Cyber Governance Center, Inc.	6034202
SkillTotal Inc.	5862295
DineUp Technologies Inc	6110168
RescueScript Inc.	6307401
Not Just Tea Inc.	6809236
Sharearts Inc.	5585969
Winograd Brokers Inc.	6840445
L2 Solutions Inc.	3395689
Fourth Branch Political Consulting Inc.	6334430
lmmersive Estates Inc.	6513452
Central Inc.	6594939
Save To Play Inc.	6376656
Trip Owl Inc.	6376660
NIOBIUM TECHNOLOGY CORPORATION	6210154
Perfect Detox, Inc.	5954639
EPIC Consulting Services Inc.	6329623
AnTrix Inc.	5976498
LGH Marketing Inc.	6304363
Rainbow Nutras Inc.	5965385
Bioenergy Nutrition Inc.	5965393
WEDESQUE INC.	6315120
Mineral Radiance, Inc.	5961549
Network of Sobriety Inc	5477985
ENHANCED ATHLETE INC.	6330149
North Texas E-Cycle Inc.	5952522
The Fridtjof Nansen Foundation for International Humanitarian Relief	5968476
CRF Incident Response Teams, Inc.	6329299
Strong Woman Action Network Fund	6330368
Taxi to Tomorrow Incorporated	6329250
Rural Wireless Association, Inc.	3777067
KAMCILI CLUB INC.	4546417
Lifeline Pharmaceuticals, Inc.	6323364
MEDIPUB SYSTEMS, INC.	2822102
JUICEBIB, INC.	5298308
MARINE TURK YACHTING CORP.	4640573
HAZIRANCO	5791866
ATLAS TOURISM CO.	6182511
DURAKYACHTING LTD	6083593
GREENFIT PLASTIC INC.	5954519
DIDEM GORENLI INC.	4689353
HAUT YACHTING CO	5594063
3DWORKZ LTD.	5562342
Earth 7 Inc.	6318113
GRAYSON INVESTMENT CORPORATION	3587421
Total Core Inc.	6330583

Yunoverse, Inc.	5232406
JAMIE AVIATION SERVICES, INC.	3743969
DA MOBILE CO.	5965737
BSSNexus Global Inc.	5694363
Envision 3 Studios Agency, Inc	5164200
Go-For Industries Inc.	6325281
Cryptographic Flux, Inc.	6325302
PIN THERAPEUTICS, INC.	6311114
Episcale Corporation	5693094
Carlisle Properties Inc.	6309513
OHMS Holding Inc.	6304387
Starriest Corp.	6325296
Taste of Wind Corporation	6318208
Colin Chadwick Corporation	6316267
STEMFASTIK, INC.	6325111
FANTO, LTD.	6634080
Time Is Money Logistic Corp.	6317298
The Streat INC.	6309251
Plush Solutions, Inc.	6304489
Urban Cereals, Inc.	6125577
Face2Face Mobile Technologies, Inc	6310637
HEALTHFLEX LABS, INC.	6318373
ActJackCo.	6307755
Scalara, Inc.	5956656
THE JE&G HOLDING GROUP, INC.	6323574
CRG Capital Partners, Inc.	5692681
MCCB Healthcare Solutions Inc.	6307499
KloudXP, Inc.	5956354
DTI MOTORS INC.	6318220
DTI SDS INC.	6318225
KATIKA, INC.	6670257
UVEST International, Inc.	5971301
UFETOPLAY INC.	5292449
XAdsNet Technology Inc.	5976234
DIAGNOSTRA Inc.	5426019
Anti-Photoshop Technologies Inc.	5958382
Scala Home Fashions Inc.	5687189
MENASE YACHTING LIMITED	5920382
ROXAN INC.	5970220
SORS FOODS INC.	5959430
Streaming Wizard Box Inc.	5692225
Stax Mobile App, Inc.	5973083
VeLatino, Inc.	5976413
Dugan Investments Inc.	6315571
Response Data Communications Inc.	5952347
A6 Aviation Facility Management Inc.	6319640
Aeegle Inc.	5632585

Cheaxics Inc.	6316248
REGENT AIR INC.	3647128
New Mobility Partners Inc.	5960659
New Mobility Academy Inc.	5960635
Mind Fitness Lab, Inc.	5968415
Bosurgi Method, Inc.	5968420
Grand Case Beach Club Unit 217 and 202, Inc.	3469876
Alliance MMA, Inc.	5692259
Save the Daisy, Inc.	5967363
Fookvr Inc.	5697366
DemoMe Marketing, Inc.	6330935
Drinking Bird Technologies Corporation	6304486
Icon Holdings, Inc.	5486120
Experience Proximity, Inc.	4877596
Canyon Oaks Land Services, Inc.	6302120
Solis Global Distributors, Inc.	5967311
VivoDynamics, Inc.	5952540
MAKONI MINNING & STEEL COMPANY	6580937
LUXDER INC.	5481078
XiaosLab Inc.	6311548
Regen Global, Inc.	6318260
Location Systems Corporation	5113310
SPROWTT CROWDFUNDING INC	5970280
SPROWTT HOLDINGS INC	5970293
Artistic Home Decors Inc.	6312803
uFO Development Group, Inc.	5955371
EAST RIVERVIEW, INC.	2095116
Belo Mundo Inc.	5970404
HEEDHUB INC.	5974510
Mercuri Americas Inc.	6308064
BARKING BUDDHA PET PRODUCTS INC	5961794
LINX CARD, INC.	5753885
Xhome Inc.	6304302
Endangered Species Revenge Foundation	5690682
Re-Medical, Inc.	6329720
WEB HOSTING INC	4564504
INTERNATIONAL PSYCHOLOGICAL CAPITAL DEVELOPMENT ASSOCIATION	5122311
ESSENSCIEN TECHNOLOGY INC	4642138
INTERNATIONAL REGISTERED PSYCHOLOGICAL TRAINERS ASSOCIATION	5363917
MUMEC, INC.	6639925
Uffizi Capital Partners Inc.	5686876
R.J. Berarducci Inc.	6315635
MEHU Inc.	6315636
Camryn Ventures Inc.	6312284
David Laurance, Inc.	3627353
DIETSCH INTERNATIONAL ASSOCIATES INC.	4559044
Advance Safety, INC.	4528682

Axxunlnc	4543581
Loonaq Inc.	5955577
HOLD PROTECT SERVICE CORP.	6324276
My Spirometer, Inc.	6307603
lnventmode, Inc.	4558567
PFX ENTERPRISES, INC.	6498713
PFX MANAGEMENT SERVICES, INC.	6498707
NULL HOLDINGS, INC.	6500076
Canna Industries Inc.	6315489
Kiddom Inc	5389535
Micro Farm Corp.	6326664
NextEra IT Solutions Inc.	6323232
Global Consulting Holdings Inc	4846330
Walker Development & Trading Group Inc	5970243
FINAL POINT, INC.	6637098
World on a Hanger Inc.	5153810
Treffer Inc.	6330302
T.T.S.H. INC.	6326410
Smart Reads Inc.	6316192
CleverTea Inc.	6323202
Mayim Pure Inc.	6323195
Ongus Technology Inc.	6323180
Rubin Extensions Inc.	6323193
Dynaheat Technology Inc.	6323288
YAVAN COMMUTE TECHNOLOGIES Inc.	6311244
Smartbox media Inc.	6318566
Cell Dynamics, Inc.	3465848
Farber Enterprises Inc.	5685020
VIA NATURA, INC.	4943883
Air Yard Aviation Consultants, Inc.	5974139
SmartFlight Holdings Inc.	6316647
KIWI VENTURES INC.	6330255
MCI - Mediterranium Capital Incorporated	6318558
Granja Group, Inc.	6326641
Autumn Joi Enterprises, Inc.	6304257
Solidarity Corporate Leasing Inc.	5972538
NST HOLDINGS GROUP INC.	4267870
KNMS Investments Inc.	5476355
Clover MC Inc.	5483565
Hermit Connection Inc.	6326122
Guest TV Interactive Inc.	5964359
Skylar Technologies, Inc.	6326558
Tesla Nootropics Inc.	6303106
Calhoun Ingalls Media Inc.	5966658
Westu Inc.	6310292
Noun Cybersecurity Inc.	6303445

VVIFY, INC.	6335086
World Rotocraft, Inc	5476582
Asia eTravel Limited	5972189
e.Digital Corporation	2576148
CS REI, Corporation	5295206
S[k]aleUp Ventures, Inc.	6312624
Composable Networks Inc.	6330384
Technical Development Services Inc	5295569
Ascent Business Technology Inc.	6326606
Homecoming P.B.C.	6335090
autobotanist Inc.	6325625
PROJECT JUST PBC	5691917

STATE OF DELWARE
CERTIIFICATE FOR REVIVAL OF CHARTER

The corporation organized under the laws of the State of Delaware, the charter of which was forfeited for failure to obtain a registered agent, now desires to procure a revival of its charter pursuant to Section 312 of the General Corporation Law of the State of Delaware, and hereby certifies as follows:

1. The name of the corporation is _____ALLIANCE MMA, INC._____

and, if different, the name under which the corporation was originally incorporated

_____

2. The Registered Office of the corporation in the State of Delaware is located at

1209 Orange Street_____ (street),

In the City of Wilmington_____ , County of__New Castle_____

Zip Code ____19801_____ . The name of the Registered Agent at such address upon whom process against this Corporation may be served is _____The Corporation Trust Company_____.

3. The date of the filing of the Corporation's original Certificate of Incorporation in Delaware was02/12/2015 .

4. The corporation desiring to be revived and so reviewing its certificate of incorporation was organized under the laws of this State.

5. The corporation was duly organized and carried on the business authorized by its charter until the __16th day of ___August____A.D.__ 2018___ at which time its charter became inoperative and forfeited for failure to obtain a registered agent and the certificate for revival is filed by authority of the duly elected directors of the corporation in accordance with the laws of the State of Delaware.

By: /S/ John Price
Authorized Officer

Name: John Price
Print or Type

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF THE SERIES A CONVERTIBLE PREFERRED STOCK OF ALLIANCE MMA, INC.

I, John Price, hereby certify that I am Chief Financial Officer and Principal Executive Officer of alliance MMA, Inc. (the **"Company"),** a corporation organized and existing under the Delaware General Corporation Law (the **"DGCL"),** and further do hereby certify:

That pursuant to the authority expressly conferred upon the Board of Directors of the Company (the **"Board")** by the Company's Certificate of Incorporation, as amended (the **"Certificate of Incorporation"),** the Board on November 30, 2018, adopted the following resolutions creating a series of shares of Preferred Stock designated as Series A Convertible Preferred Stock, none of which shares have been issued:

RESOLVED, that the Board designates the Series A Convertible Preferred Stock and the number of shares constituting such series, and fixes the rights, powers, preferences, privileges and restrictions relating to such series in addition to any set forth in the Certificate of Incorporation as follows:

TERMS OF SERIES A CONVERTIBLE PREFERRED STOCK

1. Designation and Number of Shares. There shall hereby be created and established a series of preferred stock of the Company designated as "Series A Convertible Preferred Stock" (the **"Preferred Shares").** The authorized number of Preferred Shares shall be 900,000 shares. Each Preferred Share shall have $0.001 par value (the **"Par Value").** Capitalized terms not defined herein shall have the meaning as set forth in Section 23 below.

2. Liquidation. Upon the liquidation, dissolution or winding up of the business of the Company, whether voluntary or involuntary, each holder of Preferred Shares shall be entitled to receive, for each share thereof, out of assets of the Company legally available therefor, a preferential amount in cash equal to $10.00 per share. All preferential amounts to be paid to the holders of Preferred Shares in connection with such liquidation, dissolution or winding up shall be paid before the payment or setting apart for payment of any amount for, or the distribution of any assets of the Company to the holders of any other class or series of capital stock whose terms expressly provide that the holders of Preferred Shares should receive preferential payment with respect to such distribution (to the extent of such preference) and (ii) the Common Stock. If upon any such distribution the assets of the Company shall be insufficient to pay the holders of the Preferred Shares (or the holders of any class or series of capital stock ranking on a parity with the Preferred Shares as to distributions in the event of a liquidation, dissolution or winding up of the Company) the full amounts to which they shall be entitled, such holders shall share ratably in any distribution of assets in accordance with the sums which would be payable on such distribution if all sums payable thereon were paid in full. Any distribution in connection with the liquidation, dissolution or winding up of the Company, or any bankruptcy or insolvency proceeding, shall be made in cash to the extent possible. Whenever any such distribution shall be paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Company.

3 . Dividends. In addition to Sections 5(a) and 11 below, from and after the first date of issuance of any Preferred Shares (the "**Initial Issuance Date**"), each holder of a Preferred Share (each, a **"Holder"** and collectively, the **"Holders")** shall be entitled to receive dividends (**"Dividends")** when and as declared by the Board, from time to time, in its sole discretion, which Dividends shall be paid by the Company out of funds legally available therefor, payable, subject to the conditions and other terms hereof, in cash as if such Holders had converted the Preferred Shares into Common Stock (without regard to any limitations on conversion) and had held such shares of Common Stock on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Stock.

4 . Conversion. Provided shareholders having the requisite number of shares of the Company's Common Stock have approved the Purchase Agreement and all transactions contemplated thereby, including the issuance of the Preferred Shares and shares issuable upon exercise of the Warrant issued pursuant to the Purchase Agreement and further provided that Nasdaq has issued an approval letter with respect to the Purchase Agreement and the issuance of the Preferred Shares and shares issuable upon exercise of the Warrants being issued pursuant to the Warrants, each Preferred Share shall be convertible into validly issued, fully paid and non-assessable shares of Common Stock (as defined below) on the terms and conditions set forth in this Section 4 (collectively, the "Approvals").

(a) Holder's Conversion Right. Subject to the provisions of Section 4(e), at any time or times on or after the Approvals, each Holder shall be entitled to convert any whole number of Preferred Shares into validly issued, fully paid and non-assessable shares of Common Stock in accordance with Section 4(c) at the Conversion Rate (as defined below).

(b) Conversion Rate. The number of validly issued, fully paid and non- assessable shares of Common Stock issuable upon conversion of each Preferred Share pursuant to Section 4(a) shall be determined according to the following formula (the "**Conversion Rate**"):

$$\frac{\text{Base Amount}}{\text{Conversion Price}}$$

No fractional shares of Common Stock are to be issued upon the conversion of any Preferred Shares. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share.

(c) Mechanics of Conversion. The conversion of each Preferred Share shall be conducted in the following manner:

(i) Holder's Conversion. To convert a Preferred Share into validly issued, fully paid and non-assessable shares of Common Stock on any date (a "**Conversion Date**"), a Holder shall deliver (whether via email or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed notice of conversion of the share(s) of Preferred Shares subject to such conversion in the form attached hereto as **Exhibit I** (the **"Conversion Notice")** to the Company. If required by Section 4(c)(vi), within five (5) Trading Days following a conversion of any such Preferred Shares as aforesaid, such Holder shall surrender to a nationally recognized overnight delivery service for delivery to the Company the original certificates representing the share(s) of Preferred Shares (the "**Preferred Share Certificates**") so converted as aforesaid.

(ii) Company's Response. On or before the first (1st) Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit by email an acknowledgment of confirmation, in the form attached hereto as **Exhibit II,** of receipt of such Conversion Notice to such Holder and the Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the second (2^{nd}) Trading Day following the date of receipt by the Company of such Conversion Notice, the Company shall (I) provided that the Transfer Agent is participating in DTC Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which such Holder shall be entitled to such Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (2) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to the address as specified in such Conversion Notice, a certificate, registered in the name of such Holder or its designee, for the number of shares of Common Stock to which such Holder shall be entitled. If the number of Preferred Shares represented by the Preferred Share Certificate(s) submitted for conversion pursuant to Section 4(c)(vi) is greater than the number of Preferred Shares being converted, then the Company shall if requested by such Holder, as soon as practicable and in no event later than three (3) Trading Days after receipt of the Preferred Share Certificate(s) and at its own expense, issue and deliver to such Holder (or its designee) a new Preferred Share Certificate representing the number of Preferred Shares not converted.

(iii) Record Holder. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of Preferred Shares shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(iv) Company's Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, to issue to a Holder within two (2) Trading Days after the Company's receipt of a Conversion Notice (whether via email or otherwise) (the "**Share Delivery Deadline**"), a certificate for the number of shares of Common Stock to which such Holder is entitled and register such shares of Common Stock on the Company's share register or to credit such Holder's or its designee's balance account with DTC for such number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion of any Preferred Shares (as the case may be) (a "**Conversion Failure**"), then, in addition to all other remedies available to such Holder, such Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain or have returned (as the case may be) any Preferred Shares that have not been converted pursuant to such Holder's Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to the terms of this Certificate of Designations or otherwise and (y) the Company shall pay in cash to such Holder on each day after such third (3rd) Trading Day that the issuance of such shares of Common Stock is not timely effected an amount equal to 1.5% of the product of (A) the aggregate number of shares of Common Stock not issued to such Holder on a timely basis and to which the Holder is entitled and (B) the Closing Sale Price of the Common Stock on the Trading Day immediately preceding the last possible date on which the Company could have issued such shares of Common Stock to the Holder without violating Section 4(c). In addition to the foregoing, if within two (2) Trading Days after the Company's receipt of a Conversion Notice (whether via email or otherwise), the Company shall fail to issue and deliver a certificate to such Holder and register such shares of Common Stock on the Company's share register or credit such Holder's or its designee's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be), and if on or after such second (2nd) Trading Day such Holder (or any other Person in respect, or on behalf, of such Holder) purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock, issuable upon such conversion that such Holder so anticipated receiving from the Company, then, in addition to all other remedies available to such Holder, the Company shall, within two (2) Business Days after such Holder's request and in such Holder's discretion, either (i) pay cash to such Holder in an amount equal to such Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including, without limitation, by any other Person in respect, or on behalf, of such Holder) (the **"Buy-In Price"),** at which point the Company's obligation to so issue and deliver such certificate or credit such Holder's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be) (and to issue such shares of Common Stock) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to such Holder a certificate or certificates representing such shares of Common Stock or credit such Holder's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be) and pay cash to such Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Common Stock multiplied by (B) the lowest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause

(v) Pro Rata Conversion: Disputes. In the event the Company receives a Conversion Notice from more than one Holder for the same Conversion Date and the Company can convert some, but not all, of such Preferred Shares submitted for conversion, the Company shall convert from each Holder electing to have Preferred Shares converted on such date a pro rata amount of such Holder's Preferred Shares submitted for conversion on such date based on the number of Preferred Shares submitted for conversion on such date by such Holder relative to the aggregate number of Preferred Shares submitted for conversion on such date. In the event of a dispute as to the number of shares of Common Stock issuable to a Holder in connection with a conversion of Preferred Shares, the Company shall issue to such Holder the number of shares of Common Stock not in dispute and resolve such dispute in accordance with Section 22.

(vi) Book-Entry. Notwithstanding anything to the contrary set forth in this Section 4, upon conversion of any Preferred Shares in accordance with the terms hereof, no Holder thereof shall be required to physically surrender the certificate representing the Preferred Shares to the Company following conversion thereof unless (A) the full or remaining number of Preferred Shares represented by the certificate are being converted (in which event such certificate(s) shall be delivered to the Company as contemplated by this Section 4(c)(vi)) or (B) such Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of Preferred Shares upon physical surrender of any Preferred Shares. Each Holder and the Company shall maintain records showing the number of Preferred Shares so converted by such Holder and the dates of such conversions or shall use such other method, reasonably satisfactory to such Holder and the Company, so as not to require physical surrender of the certificate representing the Preferred Shares upon each such conversion. A Holder and any transferee or assignee, by acceptance of a certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any Preferred Shares, the number of Preferred Shares represented by such certificate may be less than the number of Preferred Shares stated on the face thereof. Each certificate for Preferred Shares shall bear the following legend:

> ANY TRANSFEREE OR ASSIGNEE OF THIS CERTIFICATE SHOULD CAREFULLY REVIEW THE TERMS OF THE CORPORATION'S CERTIFICATE OF DESIGNATIONS RELATING TO THE SHARES OF SERIES A PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE, INCLUDING SECTION 4(c)(vi) THEREOF. THE NUMBER OF SHARES OF SERIES A PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE MAY BE LESS THAN THE NUMBER OF SHARES OF SERIES A PREFERRED STOCK STATED ON THE FACE HEREOF PURSUANT TO SECTION 4(c)(vi) OF THE CERTIFICATE OF DESIGNATIONS RELATING TO THE SHARES OF SERIES A PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE.

(d) Taxes. The Company shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of shares of Common Stock upon the conversion of Preferred Shares.

(e) Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained in this Certificate of Designations, the Preferred Shares held by a Holder shall not be convertible by such Holder, and the Company shall not effect any conversion of any Preferred Shares held by such Holder, to the extent (but only to the extent) that such Holder or any of its affiliates would beneficially own in excess of 4.99% (the **"Maximum Percentage")** of the Common Stock. To the extent the above limitation applies, the determination of whether the Preferred Shares held by such Holder shall be convertible (vis-a-vis other convertible, exercisable or exchangeable securities owned by such Holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned by such Holder and its affiliates) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability of a Holder to convert Preferred Shares, or of the Company to issue shares of Common Stock to such Holder, pursuant to this Section 4(e) shall have any effect on the applicability of the provisions of this Section 4(e) with respect to any subsequent determination of convertibility or issuance (as the case may be). For purposes of this Section 4(e), beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. The provisions of this Section 4(e) shall be implemented in a manner otherwise than in strict conformity with the terms of this Section 4(e) to correct this Section 4(e) (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this Section 4(e) shall apply to a successor holder of Preferred Shares. The holders of Common Stock shall be third party beneficiaries of this Section 4(e) and the Company may not waive this Section 4(e). For any reason at any time, upon the written or oral request of a Holder, the Company shall within two (2) Business Days confirm orally and in writing to such Holder the number of shares of Common Stock then outstanding, including by virtue of any prior conversion or exercise of convertible or exercisable securities into Common Stock, including, without limitation, pursuant to this Certificate of Designations or securities issued pursuant to the Purchase Agreement. By written notice to the Company, any Holder may increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice; provided that (i) any such increase will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to such Holder sending such notice and not to any other Holder.

(f) Mandatory conversion. If the 20-day VWAP is greater than one hundred thirty percent (130%) of the Conversion Price, for twenty consecutive trading days and there is an effective registration statement registering the Conversion Shares ("Mandatory Conversion Date"), all of the outstanding shares of Series A Preferred Stock will automatically convert to Common Stock (a "Mandatory Conversion"). However, to the extent that such Mandatory Conversion would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be required to participate in such Mandatory Conversion to such extent (or beneficial ownership of such shares of Common Stock as a result of such Mandatory Conversion to such extent) and such Mandatory Conversion to such extent shall be held in abeyance for such Holder until such time, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage and at such time such shares will automatically convert to Common Stock in one or more series of issuances. Within two Business Days of the Mandatory Conversion Date, the Company shall deliver to each Holder the Conversion Shares issuable upon conversion of such Holder's Series A Preferred Stock, and, within two Business Days after receipt of such Conversion Shares, each Holder shall return the certificates for its Series A Preferred Stock to the Company, provided that, any failure by the Holder to return a certificate for Series A Preferred Stock will have no effect on the Mandatory Conversion pursuant to this Section, which Mandatory Conversion will be deemed to occur on the Mandatory Conversion Date.

5. Rights Upon Issuance of Purchase Rights and Other Corporate Events.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 7(a) below, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to all of the record holders of any class of Common Stock (the **"Purchase Rights"),** then each Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of all the Preferred Shares (without taking into account any limitations or restrictions on the convertibility of the Preferred Shares) held by such Holder immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that such Holder's right to participate in any such Purchase Right would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for such Holder until such time, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage).

(b) Other Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a **"Corporate Event"),** the Company shall make appropriate provision to insure that each Holder will thereafter have the right to receive upon a conversion of all the Preferred Shares held by such Holder (i) in addition to the shares of Common Stock receivable upon such conversion, such securities or other assets to which such Holder would have been entitled with respect to such shares of Common Stock had such shares of Common Stock been held by such Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of the Preferred Shares contained in this Certificate of Designations) or (ii) in lieu of the shares of Common Stock otherwise receivable upon such conversion, such securities or other assets received by the holders of shares of Common Stock in connection with the consummation of such Corporate Event in such amounts as such Holder would have been entitled to receive had the Preferred Shares held by such Holder initially been issued with conversion rights for the form of such consideration (as opposed to shares of Common Stock) at a conversion rate for such consideration commensurate with the Conversion Rate. The provisions of this Section 5(b) shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion of the Preferred Shares contained in this Certificate of Designations.

6 . Rights Upon Fundamental Transactions. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Certificate of Designations and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Certificate of Designations and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon conversion of the Preferred Shares at any time after the consummation of such Fundamental Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except such items still issuable under Sections 5 and 11, which shall continue to be receivable thereafter)) issuable upon the conversion of the Preferred Shares prior to such Fundamental Transaction, such shares of the Successor Entity (including its Parent Entity) or other consideration which each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Preferred Shares held by each Holder been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of the Preferred Shares contained in this Certificate of Designations), as adjusted in accordance with the provisions of this Certificate of Designations. The provisions of this Section 6 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of the Preferred Shares.

7. Certain Adjustments.

(a) Issuance of Lower Priced Securities. If, at any time while the Preferred Shares are outstanding, the Company or any subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Common Stock or Common Stock equivalents (other than shares of Common Stock pursuant to and in accordance with the Company's stock option plan, shares underlying currently outstanding securities (or shares/rights to acquire shares issued in settlement of existing indebtedness, provided that the number of shares of Common Stock issued to satisfy such indebtedness, shall not exceed 750,000 shares), entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Exercise Price"), then the Conversion Price shall be reduced to equal at all times the lower of the Base Exercise Price or the Conversion Price as set forth above. Such adjustment shall be made whenever such Common Stock or Common Stock equivalents are issued (each a "Dilutive Issuance"). If the Company enters into a variable rate transaction, the Company shall be deemed to have issued Common Stock or Common Stock equivalents at the lowest possible conversion price at which such securities may be converted or exercised. The Company shall notify the Holder in writing, no later than three (3) Trading Days following the issuance of any Common Stock or Common Stock equivalents subject to this Section), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section, upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Common Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion. Notwithstanding the foregoing in no event shall the Conversion Price be reduced to an amount less than 20% of closing bid price of Common Stock on the Trading Day prior to initial closing.

(b) Adjustment of Conversion Price upon Subdivision or Combination of Common Stock. Without limiting any provision of Sections 5 and 11, if the Company at any time on or after the Initial Issuance Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision of Sections 5 and 11, if the Company at any time on or after the Initial Issuance Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7(b) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7(b) occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(c) Other Events. In the event that the Company (or any Subsidiary) shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect any Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 7 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Board shall in good faith determine and implement an appropriate adjustment in the Conversion Price so as to protect the rights of such Holder, provided that no such adjustment pursuant to this Section 7 will increase the Conversion Price as otherwise determined pursuant to this Section 7, provided further that if such Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Board and such Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

(d) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest one-hundred thousandth of a cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

8. Authorized Shares.

(a) Reservation. The Company shall, following receipt of the Approvals, initially reserve out of its authorized and unissued Common Stock a number of shares of Common Stock equal to 200% of the Conversion Rate with respect to the Base Amount of each Preferred Share as of the Initial Issuance Date (assuming for purposes hereof, that all the Preferred Shares issuable pursuant to the Purchase Agreement have been issued, such Preferred Shares are convertible at the Conversion Price and without taking into account any limitations on the conversion of such Preferred Shares set forth in herein) issuable pursuant to the terms of this Certificate of Designations from the Initial Issuance Date through the second anniversary of the Initial Issuance Date (assuming for purposes hereof, that all the Preferred Shares issuable pursuant to the Purchase Agreement have been issued and without taking into account any limitations on the issuance of securities set forth herein). So long as any of the Preferred Shares are outstanding, the Company shall, following receipt of the Approvals, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Preferred Shares, as of any given date, 200% of the number of shares of Common Stock as shall from time to time be necessary to effect the conversion of all of the Preferred Shares issued or issuable pursuant to the Purchase Agreement assuming for purposes hereof, that all the Preferred Shares issuable pursuant to the Purchase Agreement have been issued and without taking into account any limitations on the issuance of securities set forth herein), provided that at no time shall the number of shares of Common Stock so available be less than the number of shares required to be reserved by the previous sentence (without regard to any limitations on conversions contained in this Certificate of Designations) (the **"Required Amount").** The initial number of shares of Common Stock reserved for conversions of the Preferred Shares and each increase in the number of shares so reserved shall be allocated pro rata among the Holders based on the number of Preferred Shares held by each Holder on the Initial Issuance Date or increase in the number of reserved shares (as the case may be) (the **"Authorized Share Allocation").** In the event a Holder shall sell or otherwise transfer any of such Holder's Preferred Shares, each transferee shall be allocated a pro rata portion of such Holder's Authorized Share Allocation. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Preferred Shares shall be allocated to the remaining Holders of Preferred Shares, pro rata based on the number of Preferred Shares then held by such Holders.

(b) Insufficient Authorized Shares. If, notwithstanding Section 8(a) and not in limitation thereof, at any time, following receipt of the Approvals, while any of the Preferred Shares remain outstanding the Company does not have a sufficient number of authorized and unissued shares of Common Stock to satisfy its obligation to have available for issuance upon conversion of the Preferred Shares at least a number of shares of Common Stock equal to the Required Amount (an **"Authorized Share Failure"),** then the Company shall promptly take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve and have available the Required Amount for all of the Preferred Shares then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders or conduct a consent solicitation for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its commercially reasonable efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its Board to recommend to the stockholders that they approve such proposal. Nothing contained in this Section 8 shall limit any obligations of the Company under any provision of the Purchase Agreement. In the event that the Company is prohibited from issuing shares of Common Stock upon a conversion of any Preferred Share due to the failure by the Company to have sufficient shares of Common Stock available out of the authorized but unissued shares of Common Stock (such unavailable number of shares of Common Stock, the **"Authorization Failure Shares"),** in lieu of delivering such Authorization Failure Shares to such Holder of such Preferred Shares, the Company shall pay cash in exchange for the cancellation of such Preferred Shares convertible into such Authorized Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorization Failure Shares and (y) the Closing Sale Price on the Trading Day immediately preceding the date such Holder delivers the applicable Conversion Notice with respect to such Authorization Failure Shares to the Company and (ii) to the extent such Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of Authorization Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of such Holder incurred in connection therewith.

9 . Voting Rights. Except as otherwise expressly required by law, upon any vote held after the Approvals, each holder of Preferred Shares shall be entitled to vote on all matters submitted to shareholders of the Company and shall be entitled to the number of votes for each Preferred Share owned at the record date for the determination of shareholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited, equal to the number of shares of Common Stock such Preferred Shares are convertible into (voting as a class with Common Stock), but not in excess of the conversion limitations set forth in Section 4(e) herein. Except as otherwise required by law, the holders of Preferred Shares shall vote together with the holders of Common Stock on all matters and shall not vote as a separate class.

10. Optional and Triggered Redemption

(a) Company Redemption. At any time commencing at the earlier of (i) six months after the Initial Issuance Date, or (ii) upon registration for resale of the Conversion Shares under the Securities Act, and provided that no Equity Conditions Failure (as defined below) exists, the Company shall have the right to redeem all or part of the Preferred Shares then outstanding (the **"Company Redemption Amount").** The Preferred Shares subject to redemption described herein shall be redeemed by the Company, in cash at a price per Preferred Share (the **"Company Redemption Price")** equal to one hundred and twenty percent (120%) of the Stated Value. The Company may exercise its redemption option under this Section 10(a) by delivering a written notice thereof by facsimile or electronic mail to all, but not less than all, of the Holders (the **"Company Redemption Notice"** and the date all of the Holders received such notice is referred to as the **"Company Redemption Notice Date").** The Company Redemption Notice shall be irrevocable. The Company Redemption Notice shall (x) state the date on which the Company Redemption shall occur (the **"Company Redemption Date")** which date shall not be less than fifteen (15) Trading Days nor more than twenty-five (25) Trading Days following the Company Redemption Notice Date, (y) certify that there has been no Equity Conditions Failure and (z) state the aggregate Company Redemption Amount of the Preferred Shares which is being redeemed in such Company Optional Redemption from such Holder and all of the other Holders of the Preferred Shares pursuant to this Section 10(a) on the Company Optional Redemption Date. Notwithstanding anything herein to the contrary, (i) if no Equity Conditions Failure has occurred as of the Company Optional Redemption Notice Date but an Equity Conditions Failure occurs at any time prior to the Company Redemption Date, (A) the Company shall provide each Holder a subsequent notice to that effect and (B) unless such Holder waives the Equity Conditions Failure, the Company Redemption with respect to such Holder shall be cancelled and the applicable Company Redemption Notice shall be null and void and (ii) at any time prior to the date the Company Redemption Price is paid, in full, the Company Redemption Amount may be converted, in whole or in part, by any Holder into shares of Common Stock pursuant to Section 4. All Conversion Amounts converted by a Holder after the Company Redemption Notice Date shall reduce the Company Redemption Amount of the Preferred Shares of such Holder required to be redeemed on the Company Redemption Date. In the event of the Company's redemption of any of the Preferred Shares under this Section 10(a), a Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for such Holder. Accordingly, any redemption premium due under this Section 10(a) is intended by the parties to be, and shall be deemed, a reasonable estimate of such Holder's actual loss of its investment opportunity and not as a penalty. For the avoidance of doubt, the Company shall have no right to effect a Company Redemption if any Triggering Event has occurred and is continuing, but any Triggering Event shall have no effect upon any Holder's right to convert Preferred Shares in its discretion. "Equity Conditions Failure" means that that on the date specified, the Equity Conditions are not met in whole or in part.

(b) Triggering Event Redemption.

(i) Triggering Event. Each of the following events shall constitute a **"Triggering Event":**

a. the suspension from trading or failure of the Common Stock to be traded or listed (as applicable) on the Nasdaq market on or prior to 90 days after the closing of the SCWorx Acquisition (as defined in the Purchase Agreement), for a period of five (5) consecutive Trading Days; or

b. the Company's shareholders do not approve the Transaction Documents on or before January 31, 2019, subject to extension for up to 30 days upon the mutual agreement of the Company and a majority in interest of the Holders.

(i i) Notice of a Triggering Event: Redemption Right. Upon the occurrence of a Triggering Event with respect to the Preferred Shares, the Company shall within one (1) Business Day deliver written notice thereof via facsimile or electronic mail (a **"Triggering Event Notice")** to each Holder. At any time after the earlier of a Holder's receipt of a Triggering Event Notice and such Holder becoming aware of a Triggering Event, at the written election of any Holder, the Company shall redeem such Holder's Preferred Shares at a price equal to one hundred percent (100%) of the Stated Value, which amount shall be paid to the Holder within five (5) Trading Days of receipt of written notice from the Holder of its election to redeem the Preferred Shares.

11. Participation. In addition to any adjustments pursuant to Section 7(b), on and after the date of the Approvals, the Holders shall, as holders of Preferred Shares, be entitled to receive such dividends paid and distributions made to the holders of shares of Common Stock to the same extent as if such Holders had converted each Preferred Share held by each of them into shares of Common Stock (without regard to any limitations on conversion herein or elsewhere) and had held such shares of Common Stock on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of shares of Common Stock (provided, however, to the extent that a Holder's right to participate in any such dividend or distribution would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be entitled to participate in such dividend or distribution to such extent (or the beneficial ownership of any such shares of Common Stock as a result of such dividend or distribution to such extent) and such dividend or distribution to such extent shall be held in abeyance for the benefit of such Holder until such time, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage).

12. Vote to Change the Terms of or Issue Preferred Shares. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the Certificate of Incorporation, without first obtaining the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the holders of at least a majority in interest of the outstanding Preferred Shares (the **"Required Holders"),** voting together as a single class, the Company shall not: (a) amend or repeal any provision of, or add any provision to, its Certificate of Incorporation or bylaws, or file any certificate of designations or articles of amendment of any series of shares of preferred stock, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Preferred Shares, regardless of whether any such action shall be by means of amendment to the Certificate of Incorporation or by merger, consolidation or otherwise; (b) increase or decrease (other than by conversion) the authorized number of Preferred Shares; (c) issue any Preferred Shares; or (d) without limiting any provision of Section 16, whether or not prohibited by the terms of the Preferred Shares, circumvent a right of the Preferred Shares.

13. Negative Covenants. As long as any Preferred Shares are outstanding, unless the holders of at least 67% in Stated Value of the then outstanding shares of Preferred Stock shall have otherwise given prior written consent, the Corporation shall not, and shall not permit any of the Subsidiaries to, directly or indirectly:

a) amend its charter documents, including, without limitation, its certificate of incorporation and bylaws, in any manner that materially and adversely affects any rights of the Holder;

b) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Common Stock, Common Stock Equivalents or Junior Securities, other than as to the Conversion Shares as permitted or required under the Transaction Documents;

c) pay cash dividends or distributions on Junior Securities of the Corporation;

d) enter into any transaction with any Affiliate of the Corporation which would be required to be disclosed in any public filing with the Commission, unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Corporation (even if less than a quorum otherwise required for board approval); or

e) enter into any agreement with respect to any of the foregoing.

14. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.

15. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designations shall be cumulative and in addition to all other remedies available under this Certificate of Designations and any of the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Certificate of Designations. The Company covenants to each Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to a Holder that is requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of this Certificate of Designations.

16. Noncircumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Certificate of Designations, and will at all times in good faith carry out all the provisions of this Certificate of Designations and take all action as may be required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of this Certificate of Designations, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the conversion of any Preferred Shares above the Conversion Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the conversion of Preferred Shares and (iii) shall, so long as any Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Preferred Shares, the maximum number of shares of Common Stock as shall from time to time be necessary to effect the conversion of the Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).

17. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. This Certificate of Designations shall be deemed to be jointly drafted by the Company and all Holders and shall not be construed against any Person as the drafter hereof.

18. Notices. The Company shall provide each Holder of Preferred Shares with prompt written notice of all actions taken pursuant to the terms of this Certificate of Designations, including in reasonable detail a description of such action and the reason therefor. Whenever notice is required to be given under this Certificate of Designations, unless otherwise provided herein, such notice must be in writing and shall be given in accordance with Section 5.4 of the Purchase Agreement. Without limiting the generality of the foregoing, the Company shall give written notice to each Holder (i) promptly following any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Stock, (B) with respect to any grant, issuances, or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to all holders of shares of Common Stock as a class or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided, in each case, that such information shall be made known to the public prior to, or simultaneously with, such notice being provided to any Holder.

19. Transfer of Preferred Shares. The Holder may, subject to compliance with applicable securities laws, transfer some or all of its Preferred Shares without the consent of the Company.

20. Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Preferred Shares, in which the Company shall record the name, address and email address of the Persons in whose name the Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Preferred Shares is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

21. Stockholder Matters: Amendment.

(a) Stockholder Matters. Any stockholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the DGCL, the Certificate of Incorporation, this Certificate of Designations or otherwise with respect to the issuance of Preferred Shares may be effected by written consent of the Company's stockholders or at a duly called meeting of the Company's stockholders, all in accordance with the applicable rules and regulations of the DGCL. This provision is intended to comply with the applicable sections of the DGCL permitting stockholder action, approval and consent affected by written consent in lieu of a meeting.

(b) Amendment. This Certificate of Designations or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose, or written consent without a meeting in accordance with the DGCL, of the Required Holders, voting separate as a single class, and with such other stockholder approval, if any, as may then be required pursuant to the DGCL and the Certificate of Incorporation.

22. Dispute Resolution.

(a) Disputes Over Closing Bid Price, Closing Sale Price, Conversion Price, VWAP or Fair Market Value.

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Conversion Price, a VWAP or fair market value (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or such applicable Holder (as the case may be) shall submit the dispute via email (I) within two (2) Business Days after delivery of the applicable notice giving rise to such dispute to the Company or such Holder (as the case may be) or (II) if no notice gave rise to such dispute, at any time after such Holder learned of the circumstances giving rise to such dispute. If such Holder and the Company are unable to resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Conversion Price, such VWAP or such fair market value (as the case may be) by 5:00 p.m. (New York time) on the third (3'd) Business Day following such delivery by the Company or such Holder (as the case may be) of such dispute to the Company or such Holder (as the case may be), then such Holder shall select an independent, reputable investment bank to resolve such dispute.

(ii) Such Holder and the Company shall each deliver to such investment bank (x) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 22(a) and (y) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which such Holder selected such investment bank (the **"Dispute Submission Deadline")** (the documents referred to in the immediately preceding clauses (x) and (y) are collectively referred to herein as the **"Required Dispute Documentation")** (it being understood and agreed that if either such Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and such Holder or otherwise requested by such investment bank, neither the Company nor such Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and such Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and such Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) Disputes Over Arithmetic Calculation of the Conversion Rate.

(i) In the case of a dispute as to the arithmetic calculation of a Conversion Rate, the Company or such Holder (as the case may be) shall submit the disputed arithmetic calculation via email (i) within two (2) Business Days after delivery of the applicable notice giving rise to such dispute to the Company or such Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after such Holder learned of the circumstances giving rise to such dispute. If such Holder and the Company are unable to resolve such disputed arithmetic calculation of such Conversion Rate by 5:00 p.m. (New York time) on the third (3^{rd}) Business Day following such delivery by the Company or such Holder (as the case may be) of such disputed arithmetic calculation, then such Holder shall select an independent, reputable accountant or accounting firm to perform such disputed arithmetic calculation.

(ii) Such Holder and the Company shall each deliver to such accountant or accounting firm (as the case may be) (x) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 22(a) and (y) written documentation supporting its position with respect to such disputed arithmetic calculation, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which such Holder selected such accountant or accounting firm (as the case may be) (the **"Submission Deadline")** (the documents referred to in the immediately preceding clauses (x) and (y) are collectively referred to herein as the **"Required Documentation")** (it being understood and agreed that if either such Holder or the Company fails to so deliver all of the Required Documentation by the Submission Deadline, then the party who fails to so submit all of the Required Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such accountant or accounting firm (as the case may be) with respect to such disputed arithmetic calculation and such accountant or accounting firm (as the case may be) shall perform such disputed arithmetic calculation based solely on the Required Documentation that was delivered to such accountant or accounting firm (as the case may be) prior to the Submission Deadline). Unless otherwise agreed to in writing by both the Company and such Holder or otherwise requested by such accountant or accounting firm (as the case may be), neither the Company nor such Holder shall be entitled to deliver or submit any written documentation or other support to such accountant or accounting firm (as the case may be) in connection with such disputed arithmetic calculation of the Conversion Rate (other than the Required Documentation).

(iii) The Company and such Holder shall cause such accountant or accounting firm (as the case may be) to perform such disputed arithmetic calculation and notify the Company and such Holder of the results no later than ten (10) Business Days immediately following the Submission Deadline. The fees and expenses of such accountant or accounting firm (as the case may be) shall be borne solely by the Company, and such accountant's or accounting firm's (as the case may be) arithmetic calculation shall be final and binding upon all parties absent manifest error.

(c) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 22 constitutes an agreement to arbitrate between the Company and such Holder (and constitutes an arbitration agreement) under§ 7501, et seq. of the New York Civil Practice Law and Rules **("CPLR")** and that each party shall be entitled to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this Section 22, (ii) a dispute relating to a Conversion Price includes, without limitation, disputes as to (1) the consideration per share at which an issuance or deemed issuance of Common Stock occurred, and (2) whether an agreement, instrument, security or the like constitutes an Option or Convertible Security, (iii) the terms of this Certificate of Designations and the Purchase Agreement shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Certificate of Designations and the Purchase Agreement, (iv) the terms of this Certificate of Designations and each other applicable Transaction Document shall serve as the basis for the selected accountant's or accounting firm's performance of the applicable arithmetic calculation, (v) for clarification purposes and without implication that the contrary would otherwise be true, disputes relating to matters described in Section 22(a) shall be governed by Section 22(a) and not by Section 22(b), (vi) such Holder (and only such Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 22 to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this Section 22 and (vii) nothing in this Section 22 shall limit such Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in Section 22(a) or Section 22(b)).

23. Certain Defined Terms. For purposes of this Certificate of Designations, the following terms shall have the following meanings:

(a) **"1934 Act"** means the Securities Exchange Act of 1934, as amended.

(b) **"Base Amount"** means, with respect to each Preferred Share, as of the applicable date of determination, the sum of(!) the Stated Value thereof, plus (2) the Unpaid Dividend Amount thereon as of such date of determination.

(c) **"Bloomberg"** means Bloomberg, L.P.

(d) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(e) **"Closing Bid Price"** and **"Closing Sale Price"** means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the applicable Holder. If the Company and such Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 22. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(f) **"Common Stock"** means (i) the Company's shares of common stock, $0.001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.

(g) **"Conversion Price"** means, with respect to each Preferred Share, as of any Conversion Date or other applicable date of determination, $.20, subject to adjustment as provided herein.

(h) **"Conversion Shares"** means (i) the shares of Common Stock into which the Preferred Shares are convertible, and (ii) any capital stock into which such Conversion Shares shall have been changed or any share capital resulting from a reclassification of such common stock

(i) **"Convertible Securities"** means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock.

(j) **"Eligible Market"** means The New York Stock Exchange, the NYSE MKT, the Nasdaq Global Select Market, the Nasdaq Global Market, the Over-the-Counter Bulletin Board, the OTCQB, the OTCQX or the Principal Market (or any successor thereto).

(k) **"Equity Conditions"** means, during the period in question, (a) the Corporation shall have duly honored all conversions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the applicable Holder on or prior to the dates so requested or required, if any, (b) the Corporation shall have paid all liquidated damages and other amounts owing to the applicable Holder in respect of the Preferred Stock, (c) all of the Conversion Shares issuable pursuant to the Transaction Documents (and shares issuable in lieu of cash payments of dividends) may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Corporation as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders or the Conversion Shares are registered for resale under the Securities Act, (d) the Common Stock is trading on a the Nasdaq Stock Market and all of the shares issuable pursuant to the Transaction Documents are listed or quoted for trading on such the Nasdaq Stock Market (and the Corporation believes, in good faith, that trading of the Common Stock on the Nasdaq Stock Market will continue uninterrupted for the foreseeable future), (e) there is a sufficient number of authorized, but unissued and otherwise unreserved, shares of Common Stock for the issuance of all of the shares then issuable pursuant to the Transaction Documents, (f) the issuance of the shares in question to the applicable Holder would not violate the limitations set forth in Section 4(e) herein, (g) there has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control Transaction that has not been consummated, (h) the applicable Holder is not in possession of any information provided by the Corporation that constitutes, or may constitute, material non-public information, (i) for each Trading Day in a period of I 0 consecutive Trading Days prior to the applicable date in question, the daily trading volume for the Common Stock on the Nasdaq Stock Market exceeds $350,000 per Trading Day and the closing price of the Common Stock on each such day equals at least 130% of the Conversion Price, and G) the Company's Common Stock must be DTC and DWAC eligible.

(l) **"Fundamental Transaction"** means if, at any time while any Preferred Shares are outstanding (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Common Stock (not including any Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), it being understood that the completion of the SCWorx Acquisition shall not be deemed a "Fundamental Transaction" for purposes of this Certificate of Designations. "Options" means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities.

(m) **"Junior Securities"** mean any security of the Company. Including and series of preferred stock, which by its terms is junior to the rights and preferences of the Preferred Stock.

(n) **"Purchase Agreement"** means that certain Securities Purchase Agreement by and among the Company and the initial holders of Preferred Shares, dated as of the Initial Issuance Date, as may be amended from time in accordance with the terms thereof.

(o) **"Parent Entity"** of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(p) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(q) **"Principal Market"** means The NASDAQ Capital Market.

(r) **"SEC"** means the Securities and Exchange Commission or the successor thereto.

(s) **"Stated Value"** shall mean $10.00 per share, subject to adjustment for stock splits, stock dividends, recapitalizations, reorganizations, reclassifications, combinations, subdivisions or other similar events occurring after the Initial Issuance Date with respect to the Preferred Shares.

(t) **"Subsidiaries"** shall have the meaning as set forth in the Purchase Agreement.

(u) **"Successor Entity"** means the Person (or, if so elected by the Required Holders, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Required Holders, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(v) **"Trading Day"** means, as applicable, (x) with respect to all price determinations relating to the Common Stock, any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded, provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Required Holders or (y) with respect to all determinations other than price determinations relating to the Common Stock, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(w) **"Transaction Documents"** means the Purchase Agreement, this designation and all other agreements and documents executed in connection with the issuance and sale of the Preferred Stock.

(x) **"Unpaid Dividend Amount"** means, as of the applicable date of determination, with respect to each Preferred Share, all declared and unpaid Dividends on such Preferred Share.

(y) **"Voting Stock"** of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers, trustees or other similar governing body of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

(x) **"VW AP"** , for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock are then listed or quoted on a Eligible Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Eligible Market on which the Common Stock are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not an Eligible Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of an Common Stock re as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Preferred Shares then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

2 4 . Disclosure. Upon receipt or delivery by the Company of any notice in accordance with the terms of this Certificate of Designations, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall simultaneously with any such receipt or delivery publicly disclose such material, non-public information on a Current Report on Form 8-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to each Holder contemporaneously with delivery of such notice, and in the absence of any such indication, each Holder shall be allowed to presume that all matters relating to such notice do not constitute material, non-public information relating to the Company or its Subsidiaries. Nothing contained in this Section 24 shall limit any obligations of the Company, or any rights of any Holder, under the Purchase Agreement.

* * * * *

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations of Series A Convertible Preferred Stock of Alliance MMA, Inc. to be signed by its President on this 30th day of November, 2018.

ALLIANCE MMA, INC.

By: /S/ John Price

Name: John Price

Title: President

EXHIBIT I

ALLIANCE MMA, INC.
CONVERSION NOTICE

Reference is made to the Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock of Alliance MMA, Inc. Company (the **"Certificate of Designations").** In accordance with and pursuant to the Certificate of Designations, the undersigned here by elects to convert the number of shares of Series A Convertible Preferred Stock, $0.001 par value per share (the **"Preferred Shares"),** of Alliance MMA, Inc., a Delaware corporation (the **"Company"),** indicated below into shares of common stock, $0.001 par value per share (the **"Common Stock"),** of the Company, as of the date specified below.

Date of Conversion: _____

Number of Preferred Shares to be converted: _____

Share certificate no(s). of Preferred Shares to be converted: _____

Tax ID Number (If applicable): _____

Conversion Price: _____

Number of shares of Common Stock to be issued: _____

Please issue the shares of Common Stock into which the Preferred Shares are being converted in the following name and to the following address:

Issue to: _____

_____

Address: _____

Telephone Number: _____

Email address: _____

Holder: _____

By: _____

Title: _____

Dated: _____

Account Number (if electronic book entry transfer): _____

Transaction Code Number (if electronic book entry transfer): _____

EXHIBIT II

ACKNOWLEDGMENT

The Company hereby acknowledges this Conversion Notice and hereby directs [_____] to issue the above indicated number of shares of Common Stock in accordance with the Irrevocable Transfer Agent Instructions dated _____,2018 from the Company and acknowledged and agreed to by [_____].

ALLIANCE MMA, INC.

By: _____

Name:
Title:

FIRST AMENDED AND RESTATED
CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF THE
SERIES A CONVERTIBLE PREFERRED STOCK OF
ALLIANCE MMA, INC.

I, John Price, hereby certify that I am Chief Financial Officer and Principal Executive Officer of Alliance MMA, Inc. (the "**Company**"), a corporation organized and existing under the Delaware General Corporation Law (the **"DGCL"),** and further do hereby certify:

That pursuant to the authority expressly conferred upon the Board of Directors of the Company (the **"Board")** by the Company's Certificate of Incorporation, as amended (the **"Certificate of Incorporation"),** the Board on November 30, 2018, adopted the following resolutions creating a series of shares of Preferred Stock designated as Series A Convertible Preferred Stock, none of which shares have been issued:

RESOLVED, that the Board designates the Series A Convertible Preferred Stock and the number of shares constituting such series, and fixes the rights, powers, preferences, privileges and restrictions relating to such series in addition to any set forth in the Certificate of Incorporation as follows:

TERMS OF SERIES A CONVERTIBLE PREFERRED STOCK

1. Designation and Number of Shares. There shall hereby be created and established a series of preferred stock of the Company designated as "Series A Convertible Preferred Stock" (the **"Preferred Shares").** The authorized number of Preferred Shares shall be 900,000 shares. Each Preferred Share shall have $0.001 par value (the **"Par Value").** Capitalized terms not defined herein shall have the meaning as set forth in Section 23 below.

2. Liquidation. Upon the liquidation, dissolution or winding up of the business of the Company, whether voluntary or involuntary, each holder of Preferred Shares shall be entitled to receive, for each share thereof, out of assets of the Company legally available therefor, a preferential amount in cash equal to $10.00 per share. All preferential amounts to be paid to the holders of Preferred Shares in connection with such liquidation, dissolution or winding up shall be paid before the payment or setting apart for payment of any amount for, or the distribution of any assets of the Company to the holders of any other class or series of capital stock whose terms expressly provide that the holders of Preferred Shares should receive preferential payment with respect to such distribution (to the extent of such preference) and (ii) the Common Stock. If upon any such distribution the assets of the Company shall be insufficient to pay the holders of the Preferred Shares (or the holders of any class or series of capital stock ranking on a parity with the Preferred Shares as to distributions in the event of a liquidation, dissolution or winding up of the Company) the full amounts to which they shall be entitled, such holders shall share ratably in any distribution of assets in accordance with the sums which would be payable on such distribution if all sums payable thereon were paid in full. Any distribution in connection with the liquidation, dissolution or winding up of the Company, or any bankruptcy or insolvency proceeding, shall be made in cash to the extent possible. Whenever any such distribution shall be paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Company.

3. Dividends. In addition to Sections 5(a) and 11 below, from and after the first date of issuance of any Preferred Shares (the **"Initial Issuance Date"),** each holder of a Preferred Share (each, a **"Holder"** and collectively, the **"Holders")** shall be entitled to receive dividends **("Dividends")** when and as declared by the Board, from time to time, in its sole discretion, which Dividends shall be paid by the Company out of funds legally available therefor, payable, subject to the conditions and other terms hereof, in cash as if such Holders had converted the Preferred Shares into Common Stock (without regard to any limitations on conversion) and had held such shares of Common Stock on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Stock.

4. Conversion. Provided shareholders having the requisite number of shares of the Company's Common Stock have approved the Purchase Agreement and all transactions contemplated thereby, including the issuance of the Preferred Shares and shares issuable upon exercise of the Warrant issued pursuant to the Purchase Agreement and further provided that Nasdaq has issued an approval letter with respect to the Purchase Agreement and the issuance of the Preferred Shares and shares issuable upon exercise of the Warrants being issued pursuant to the Warrants, each Preferred Share shall be convertible into validly issued, fully paid and non-assessable shares of Common Stock (as defined below) on the terms and conditions set forth in this Section 4 (collectively, the "Approvals").

(a) Holder's Conversion Right. Subject to the provisions of Section 4(e), at any time or times on or after the Approvals, each Holder shall be entitled to convert any whole number of Preferred Shares into validly issued, fully paid and non-assessable shares of Common Stock in accordance with Section 4(c) at the Conversion Rate (as defined below).

(b) Conversion Rate. The number of validly issued, fully paid and non- assessable shares of Common Stock issuable upon conversion of each Preferred Share pursuant to Section 4(a) shall be determined according to the following formula (the **"Conversion Rate")**:

$$\frac{\text{Base Amount}}{\text{Conversion Price}}$$

No fractional shares of Common Stock are to be issued upon the conversion of any Preferred Shares. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share.

(c) Mechanics of Conversion. The conversion of each Preferred Share shall be conducted in the following manner:

(i) Holder's Conversion. To convert a Preferred Share into validly issued, fully paid and non-assessable shares of Common Stock on any date (a "**Conversion Date**"), a Holder shall deliver (whether via email or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed notice of conversion of the share(s) of Preferred Shares subject to such conversion in the form attached hereto as **Exhibit I** (the **"Conversion Notice")** to the Company. If required by Section 4(c)(vi), within five (5) Trading Days following a conversion of any such Preferred Shares as aforesaid, such Holder shall surrender to a nationally recognized overnight delivery service for delivery to the Company the original certificates representing the share(s) of Preferred Shares (the "**Preferred Share Certificates**") so converted as aforesaid.

(ii) Company's Response. On or before the first (1") Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit by email an acknowledgment of confirmation, in the form attached hereto as **Exhibit II,** of receipt of such Conversion Notice to such Holder and the Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the second (2^{nd}) Trading Day following the date of receipt by the Company of such Conversion Notice, the Company shall (1) provided that the Transfer Agent is participating in DTC Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which such Holder shall be entitled to such Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (2) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to the address as specified in such Conversion Notice, a certificate, registered in the name of such Holder or its designee, for the number of shares of Common Stock to which such Holder shall be entitled. If the number of Preferred Shares represented by the Preferred Share Certificate(s) submitted for conversion pursuant to Section 4(c)(vi) is greater than the number of Preferred Shares being converted, then the Company shall if requested by such Holder, as soon as practicable and in no event later than three (3) Trading Days after receipt of the Preferred Share Certificate(s) and at its own expense, issue and deliver to such Holder (or its designee) a new Preferred Share Certificate representing the number of Preferred Shares not converted.

(iii) Record Holder. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of Preferred Shares shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(iv) Company's Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, to issue to a Holder within two (2) Trading Days after the Company's receipt of a Conversion Notice (whether via email or otherwise) (the **"Share Delivery Deadline"),** a certificate for the number of shares of Common Stock to which such Holder is entitled and register such shares of Common Stock on the Company's share register or to credit such Holder's or its designee's balance account with DTC for such number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion of any Preferred Shares (as the case may be) (a **"Conversion Failure"),** then, in addition to all other remedies available to such Holder, such Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain or have returned (as the case may be) any Preferred Shares that have not been converted pursuant to such Holder's Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to the terms of this Certificate of Designations or otherwise and (y) the Company shall pay in cash to such Holder on each day after such third (3rd) Trading Day that the issuance of such shares of Common Stock is not timely effected an amount equal to 1.5% of the product of (A) the aggregate number of shares of Common Stock not issued to such Holder on a timely basis and to which the Holder is entitled and (B) the Closing Sale Price of the Common Stock on the Trading Day immediately preceding the last possible date on which the Company could have issued such shares of Common Stock to the Holder without violating Section 4(c). In addition to the foregoing, if within two (2) Trading Days after the Company's receipt of a Conversion Notice (whether via email or otherwise), the Company shall fail to issue and deliver a certificate to such Holder and register such shares of Common Stock on the Company's share register or credit such Holder's or its designee's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be), and if on or after such second (2nd) Trading Day such Holder (or any other Person in respect, or on behalf, of such Holder) purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock, issuable upon such conversion that such Holder so anticipated receiving from the Company, then, in addition to all other remedies available to such Holder, the Company shall, within two (2) Business Days after such Holder's request and in such Holder's discretion, either (i) pay cash to such Holder in an amount equal to such Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including, without limitation, by any other Person in respect, or on behalf, of such Holder) (the **"Buy-In Price"),** at which point the Company's obligation to so issue and deliver such certificate or credit such Holder's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be) (and to issue such shares of Common Stock) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to such Holder a certificate or certificates representing such shares of Common Stock or credit such Holder's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be) and pay cash to such Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Common Stock multiplied by (B) the lowest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause.

(v) Pro Rata Conversion; Disputes. In the event the Company receives a Conversion Notice from more than one Holder for the same Conversion Date and the Company can convert some, but not all, of such Preferred Shares submitted for conversion, the Company shall convert from each Holder electing to have Preferred Shares converted on such date a pro rata amount of such Holder's Preferred Shares submitted for conversion on such date based on the number of Preferred Shares submitted for conversion on such date by such Holder relative to the aggregate number of Preferred Shares submitted for conversion on such date. In the event of a dispute as to the number of shares of Common Stock issuable to a Holder in connection with a conversion of Preferred Shares, the Company shall issue to such Holder the number of shares of Common Stock not in dispute and resolve such dispute in accordance with Section 22.

(vi) Book-Entry. Notwithstanding anything to the contrary set forth in this Section 4, upon conversion of any Preferred Shares in accordance with the terms hereof, no Holder thereof shall be required to physically surrender the certificate representing the Preferred Shares to the Company following conversion thereof unless (A) the full or remaining number of Preferred Shares represented by the certificate are being converted (in which event such certificate(s) shall be delivered to the Company as contemplated by this Section 4(c)(vi)) or (B) such Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of Preferred Shares upon physical surrender of any Preferred Shares. Each Holder and the Company shall maintain records showing the number of Preferred Shares so converted by such Holder and the dates of such conversions or shall use such other method, reasonably satisfactory to such Holder and the Company, so as not to require physical surrender of the certificate representing the Preferred Shares upon each such conversion. A Holder and any transferee or assignee, by acceptance of a certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any Preferred Shares, the number of Preferred Shares represented by such certificate may be less than the number of Preferred Shares stated on the face thereof. Each certificate for Preferred Shares shall bear the following legend:

ANY TRANSFEREE OR ASSIGNEE OF THIS CERTIFICATE SHOULD CAREFULLY REVIEW THE TERMS OF THE CORPORATION'S CERTIFICATE OF DESIGNATIONS RELATING TO THE SHARES OF SERIES A PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE, INCLUDING SECTION 4(c)(vi) THEREOF. THE NUMBER OF SHARES OF SERIES A PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE MAYBE LESS THAN THE NUMBER OF SHARES OF SERIES A PREFERRED STOCK STATED ON THE FACE HEREOF PURSUANT TO SECTION 4(c)(vi) OF THE CERTIFICATE OF DESIGNATIONS RELATING TO THE SHARES OF SERIES A PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE.

(d) Taxes. The Company shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of shares of Common Stock upon the conversion of Preferred Shares.

(e) Limitation on Beneficial Ownership. Notwithstanding anything to the contrary contained in this Certificate of Designations, the Preferred Shares held by a Holder shall not be convertible by such Holder, and the Company shall not effect any conversion of any Preferred Shares held by such Holder, to the extent (but only to the extent) that such Holder or any of its affiliates would beneficially own in excess of 4.99% (the **"Maximum Percentage")** of the Common Stock. To the extent the above limitation applies, the determination of whether the Preferred Shares held by such Holder shall be convertible (vis-a-vis other convertible, exercisable or exchangeable securities owned by such Holder or any of its affiliates) and of which such securities shall be convertible, exercisable or exchangeable (as among all such securities owned by such Holder and its affiliates) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be). No prior inability of a Holder to convert Preferred Shares, or of the Company to issue shares of Common Stock to such Holder, pursuant to this Section 4(e) shall have any effect on the applicability of the provisions of this Section 4(e) with respect to any subsequent determination of convertibility or issuance (as the case may be). For purposes of this Section 4(e), beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with Section 13(d) of the 1934 Act and the rules and regulations promulgated thereunder. The provisions of this Section 4(e) shall be implemented in a manner otherwise than in strict conformity with the terms of this Section 4(e) to correct this Section 4(e) (or any portion hereof) which may be defective or inconsistent with the intended Maximum Percentage beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such Maximum Percentage limitation. The limitations contained in this Section 4(e) shall apply to a successor holder of Preferred Shares. The holders of Common Stock shall be third party beneficiaries of this Section 4(e) and the Company may not waive this Section 4(e). For any reason at any time, upon the written or oral request of a Holder, the Company shall within two (2) Business Days confirm orally and in writing to such Holder the number of shares of Common Stock then outstanding, including by virtue of any prior conversion or exercise of convertible or exercisable securities into Common Stock, including, without limitation, pursuant to this Certificate of Designations or securities issued pursuant to the Purchase Agreement. By written notice to the Company, any Holder may increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice; provided that (i) any such increase will not be effective until the 61st day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to such Holder sending such notice and not to any other Holder.

(f) Mandatory conversion. If the 20-day VWAP is greater than one hundred thirty percent (130%) of the Conversion Price, for twenty consecutive trading days and there is an effective registration statement registering the Conversion Shares ("Mandatory Conversion Date"), all of the outstanding shares of Series A Preferred Stock will automatically convert to Common Stock (a "Mandatory Conversion"). However, to the extent that such Mandatory Conversion would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be required to participate in such Mandatory Conversion to such extent (or beneficial ownership of such shares of Common Stock as a result of such Mandatory Conversion to such extent) and such Mandatory Conversion to such extent shall be held in abeyance for such Holder until such time, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage and at such time such shares will automatically convert to Common Stock in one or more series of issuances. Within two Business Days of the Mandatory Conversion Date, the Company shall deliver to each Holder the Conversion Shares issuable upon conversion of such Holder's Series A Preferred Stock, and, within two Business Days after receipt of such Conversion Shares, each Holder shall return the certificates for its Series A Preferred Stock to the Company, provided that, any failure by the Holder to return a certificate for Series A Preferred Stock will have no effect on the Mandatory Conversion pursuant to this Section, which Mandatory Conversion will be deemed to occur on the Mandatory Conversion Date.

5. Rights Upon Issuance of Purchase Rights and Other Corporate Events.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 7(a) below, if at any time the Company grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to all of the record holders of any class of Common Stock (the "**Purchase Rights**"), then each Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of all the Preferred Shares (without taking into account any limitations or restrictions on the convertibility of the Preferred Shares) held by such Holder immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that such Holder's right to participate in any such Purchase Right would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for such Holder until such time, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage).

(b) Other Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to insure that each Holder will thereafter have the right to receive upon a conversion of all the Preferred Shares held by such Holder (i) in addition to the shares of Common Stock receivable upon such conversion, such securities or other assets to which such Holder would have been entitled with respect to such shares of Common Stock had such shares of Common Stock been held by such Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of the Preferred Shares contained in this Certificate of Designations) or (ii) in lieu of the shares of Common Stock otherwise receivable upon such conversion, such securities or other assets received by the holders of shares of Common Stock in connection with the consummation of such Corporate Event in such amounts as such Holder would have been entitled to receive had the Preferred Shares held by such Holder initially been issued with conversion rights for the form of such consideration (as opposed to shares of Common Stock) at a conversion rate for such consideration commensurate with the Conversion Rate. The provisions of this Section 5(b) shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion of the Preferred Shares contained in this Certificate of Designations.

6. Rights Upon Fundamental Transactions. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Certificate of Designations and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Certificate of Designations and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon conversion of the Preferred Shares at any time after the consummation of such Fundamental Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except such items still issuable under Sections 5 and 11, which shall continue to be receivable thereafter)) issuable upon the conversion of the Preferred Shares prior to such Fundamental Transaction, such shares of the Successor Entity (including its Parent Entity) or other consideration which each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Preferred Shares held by each Holder been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of the Preferred Shares contained in this Certificate of Designations), as adjusted in accordance with the provisions of this Certificate of Designations. The provisions of this Section 6 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of the Preferred Shares.

7. Certain Adjustments.

(a) Issuance of Lower Priced Securities. If, at any time while the Preferred Shares are outstanding, the Company or any subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Common Stock or Common Stock equivalents (other than shares of Common Stock pursuant to and in accordance with the Company's stock option plan, shares underlying currently outstanding securities (or shares/rights to acquire shares issued in settlement of existing indebtedness, provided that the number of shares of Common Stock issued to satisfy such indebtedness, shall not exceed 750,000 shares), entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Exercise Price"), then the Conversion Price shall be reduced to equal at all times the lower of the Base Exercise Price or the Conversion Price as set forth above. Such adjustment shall be made whenever such Common Stock or Common Stock equivalents are issued (each a "Dilutive Issuance"). If the Company enters into a variable rate transaction, the Company shall be deemed to have issued Common Stock or Common Stock equivalents at the lowest possible conversion price at which such securities may be converted or exercised. The Company shall notify the Holder in writing, no later than three (3) Trading Days following the issuance of any Common Stock or Common Stock equivalents subject to this Section), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section, upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Common Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion. Notwithstanding the foregoing in no event, until after the Approvals have been obtained, shall the Conversion Price be reduced to an amount less than 20% of closing bid price of Common Stock on the Trading Day prior to initial closing.

(b) Adjustment of Conversion Price upon Subdivision or Combination of Common Stock. Without limiting any provision of Sections 5 and 11, if the Company at any time on or after the Initial Issuance Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision of Sections 5 and 11, if the Company at any time on or after the Initial Issuance Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7(b) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7(b) occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(c) Other Events. In the event that the Company (or any Subsidiary) shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect any Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 7 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Board shall in good faith determine and implement an appropriate adjustment in the Conversion Price so as to protect the rights of such Holder, provided that no such adjustment pursuant to this Section 7 will increase the Conversion Price as otherwise determined pursuant to this Section?, provided further that if such Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Board and such Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

(d) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest one-hundred thousandth of a cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

8. Authorized Shares.

(a) Reservation. The Company shall, following receipt of the Approvals, initially reserve out of its authorized and unissued Common Stock a number of shares of Common Stock equal to 200% of the Conversion Rate with respect to the Base Amount of each Preferred Share as of the Initial Issuance Date (assuming for purposes hereof, that all the Preferred Shares issuable pursuant to the Purchase Agreement have been issued, such Preferred Shares are convertible at the Conversion Price and without taking into account any limitations on the conversion of such Preferred Shares set forth in herein) issuable pursuant to the terms of this Certificate of Designations from the Initial Issuance Date through the second anniversary of the Initial Issuance Date (assuming for purposes hereof, that all the Preferred Shares issuable pursuant to the Purchase Agreement have been issued and without taking into account any limitations on the issuance of securities set forth herein). So long as any of the Preferred Shares are outstanding, the Company shall, following receipt of the Approvals, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Preferred Shares, as of any given date, 200% of the number of shares of Common Stock as shall from time to time be necessary to effect the conversion of all of the Preferred Shares issued or issuable pursuant to the Purchase Agreement assuming for purposes hereof, that all the Preferred Shares issuable pursuant to the Purchase Agreement have been issued and without taking into account any limitations on the issuance of securities set forth herein), provided that at no time shall the number of shares of Common Stock so available be less than the number of shares required to be reserved by the previous sentence (without regard to any limitations on conversions contained in this Certificate of Designations) (the "Required Amount"). The initial number of shares of Common Stock reserved for conversions of the Preferred Shares and each increase in the number of shares so reserved shall be allocated pro rata among the Holders based on the number of Preferred Shares held by each Holder on the Initial Issuance Date or increase in the number of reserved shares (as the case may be) (the "Authorized Share Allocation"). In the event a Holder shall sell or otherwise transfer any of such Holder's Preferred Shares, each transferee shall be allocated a pro rata portion of such Holder's Authorized Share Allocation. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Preferred Shares shall be allocated to the remaining Holders of Preferred Shares, pro rata based on the number of Preferred Shares then held by such Holders.

(b) Insufficient Authorized Shares. If, notwithstanding Section 8(a) and not in limitation thereof, at any time, following receipt of the Approvals, while any of the Preferred Shares remain outstanding the Company does not have a sufficient number of authorized and unissued shares of Common Stock to satisfy its obligation to have available for issuance upon conversion of the Preferred Shares at least a number of shares of Common Stock equal to the Required Amount (an "**Authorized Share Failure**"), then the Company shall promptly take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve and have available the Required Amount for all of the Preferred Shares then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders or conduct a consent solicitation for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its commercially reasonable efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its Board to recommend to the stockholders that they approve such proposal. Nothing contained in this Section 8 shall limit any obligations of the Company under any provision of the Purchase Agreement. In the event that the Company is prohibited from issuing shares of Common Stock upon a conversion of any Preferred Share due to the failure by the Company to have sufficient shares of Common Stock available out of the authorized but unissued shares of Common Stock (such unavailable number of shares of Common Stock, the "**Authorization Failure Shares**"), in lieu of delivering such Authorization Failure Shares to such Holder of such Preferred Shares, the Company shall pay cash in exchange for the cancellation of such Preferred Shares convertible into such Authorized Failure Shares at a price equal to the sum of(i) the product of(x) such number of Authorization Failure Shares and (y) the Closing Sale Price on the Trading Day immediately preceding the date such Holder delivers the applicable Conversion Notice with respect to such Authorization Failure Shares to the Company and (ii) to the extent such Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of Authorization Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of such Holder incurred in connection therewith.

9 . Voting Rights. Except as otherwise expressly required by law, upon any vote held after the Approvals, each holder of Preferred Shares shall be entitled to vote on all matters submitted to shareholders of the Company and shall be entitled to the number of votes for each Preferred Share owned at the record date for the determination of shareholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited, equal to the number of shares of Common Stock such Preferred Shares are convertible into (voting as a class with Common Stock), but not in excess of the conversion limitations set forth in Section 4(e) herein. Except as otherwise required by law, the holders of Preferred Shares shall vote together with the holders of Common Stock on all matters and shall not vote as a separate class.

10. Optional and Triggered Redemption

(a) Company Redemption. At any time commencing at the earlier of (i) six months after the Initial Issuance Date, or (ii) upon registration for resale of the Conversion Shares under the Securities Act, and provided that no Equity Conditions Failure (as defined below) exists, the Company shall have the right to redeem all or part of the Preferred Shares then outstanding (the **"Company Redemption Amount").** The Preferred Shares subject to redemption described herein shall be redeemed by the Company, in cash at a price per Preferred Share (the **"Company Redemption Price")** equal to one hundred and twenty percent (120%) of the Stated Value. The Company may exercise its redemption option under this Section I0(a) by delivering a written notice thereof by facsimile or electronic mail to all, but not less than all, of the Holders (the **"Company Redemption Notice"** and the date all of the Holders received such notice is referred to as the **"Company Redemption Notice Date").** The Company Redemption Notice shall be irrevocable. The Company Redemption Notice shall (x) state the date on which the Company Redemption shall occur (the **"Company Redemption Date")** which date shall not be less than fifteen (15) Trading Days nor more than twenty-five (25) Trading Days following the Company Redemption Notice Date, (y) certify that there has been no Equity Conditions Failure and (z) state the aggregate Company Redemption Amount of the Preferred Shares which is being redeemed in such Company Optional Redemption from such Holder and all of the other Holders of the Preferred Shares pursuant to this Section IO(a) on the Company Optional Redemption Date. Notwithstanding anything herein to the contrary, (i) if no Equity Conditions Failure has occurred as of the Company Optional Redemption Notice Date but an Equity Conditions Failure occurs at any time prior to the Company Redemption Date, (A) the Company shall provide each Holder a subsequent notice to that effect and (B) unless such Holder waives the Equity Conditions Failure, the Company Redemption with respect to such Holder shall be cancelled and the applicable Company Redemption Notice shall be null and void and (ii) at any time prior to the date the Company Redemption Price is paid, in full, the Company Redemption Amount may be converted, in whole or in part, by any Holder into shares of Common Stock pursuant to Section 4. All Conversion Amounts converted by a Holder after the Company Redemption Notice Date shall reduce the Company Redemption Amount of the Preferred Shares of such Holder required to be redeemed on the Company Redemption Date. In the event of the Company's redemption of any of the Preferred Shares under this Section l0(a), a Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for such Holder. Accordingly, any redemption premium due under this Section 10(a) is intended by the parties to be, and shall be deemed, a reasonable estimate of such Holder's actual loss of its investment opportunity and not as a penalty. For the avoidance of doubt, the Company shall have no right to effect a Company Redemption if any Triggering Event has occurred and is continuing, but any Triggering Event shall have no effect upon any Holder's right to convert Preferred Shares in its discretion. "Equity Conditions Failure" means that that on the date specified, the Equity Conditions are not met in whole or in part.

(b) Triggering Event Redemption.

(i) Triggering Event. Each of the following events shall constitute a **"Triggering Event":**

a. the suspension from trading or failure of the Common Stock to be traded or listed (as applicable) on the Nasdaq market on or prior to 90 days after the closing of the SCWorx Acquisition (as defined in the Purchase Agreement), for a period of five (5) consecutive Trading Days; or

b. the Company's shareholders do not approve the Transaction Documents on or before January 31, 2019, subject to extension for up to 30 days upon the mutual agreement of the Company and a majority in interest of the Holders.

(ii) Notice of a Triggering Event; Redemption Right. Upon the occurrence of a Triggering Event with respect to the Preferred Shares, the Company shall within one (1) Business Day deliver written notice thereof via facsimile or electronic mail (a **"Triggering Event Notice")** to each Holder. At any time after the earlier of a Holder's receipt of a Triggering Event Notice and such Holder becoming aware of a Triggering Event, at the written election of any Holder, the Company shall redeem such Holder's Preferred Shares at a price equal to one hundred percent (100%) of the Stated Value, which amount shall be paid to the Holder within five (5) Trading Days of receipt of written notice from the Holder of its election to redeem the Preferred Shares.

1 1 . Participation. In addition to any adjustments pursuant to Section 7(b), on and after the date of the Approvals, the Holders shall, as holders of Preferred Shares, be entitled to receive such dividends paid and distributions made to the holders of shares of Common Stock to the same extent as if such Holders had converted each Preferred Share held by each of them into shares of Common Stock (without regard to any limitations on conversion herein or elsewhere) and had held such shares of Common Stock on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of shares of Common Stock (provided, however, to the extent that a Holder's right to participate in any such dividend or distribution would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be entitled to participate in such dividend or distribution to such extent (or the beneficial ownership of any such shares of Common Stock as a result of such dividend or distribution to such extent) and such dividend or distribution to such extent shall be held in abeyance for the benefit of such Holder until such time, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage).

12. Vote to Change the Terms of or Issue Preferred Shares. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the Certificate of Incorporation, without first obtaining the affirmative vote at a meeting duly called for such purpose or the written consent without a meeting of the holders of at least a majority in interest of the outstanding Preferred Shares (the **"Required Holders"),** voting together as a single class, the Company shall not: (a) amend or repeal any provision of, or add any provision to, its Certificate of Incorporation or bylaws, or file any certificate of designations or articles of amendment of any series of shares of preferred stock, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Preferred Shares, regardless of whether any such action shall be by means of amendment to the Certificate of Incorporation or by merger, consolidation or otherwise; (b) increase or decrease (other than by conversion) the authorized number of Preferred Shares; (c) issue any Preferred Shares; or (d) without limiting any provision of Section 16, whether or not prohibited by the terms of the Preferred Shares, circumvent a right of the Preferred Shares.

13. Negative Covenants. As long as any Preferred Shares are outstanding, unless the holders of at least 67% in Stated Value of the then outstanding shares of Preferred Stock shall have otherwise given prior written consent, the Corporation shall not, and shall not permit any of the Subsidiaries to, directly or indirectly:

a) amend its charter documents, including, without limitation, its certificate of incorporation and bylaws, in any manner that materially and adversely affects any rights of the Holder;

b) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Common Stock, Common Stock Equivalents or Junior Securities, other than as to the Conversion Shares as permitted or required under the Transaction Documents;

c) pay cash dividends or distributions on Junior Securities of the Corporation;

d) enter into any transaction with any Affiliate of the Corporation which would be required to be disclosed in any public filing with the Commission, unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Corporation (even if less than a quorum otherwise required for board approval); or

e) enter into any agreement with respect to any of the foregoing.

14. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.

15. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designations shall be cumulative and in addition to all other remedies available under this Certificate of Designations and any of the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Certificate of Designations. The Company covenants to each Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to a Holder that is requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of this Certificate of Designations.

16. Noncircumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Certificate of Designations, and will at all times in good faith carry out all the provisions of this Certificate of Designations and take all action as may be required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of this Certificate of Designations, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the conversion of any Preferred Shares above the Conversion Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the conversion of Preferred Shares and (iii) shall, so long as any Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Preferred Shares, the maximum number of shares of Common Stock as shall from time to time be necessary to effect the conversion of the Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).

17. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. This Certificate of Designations shall be deemed to be jointly drafted by the Company and all Holders and shall not be construed against any Person as the drafter hereof.

18. Notices. The Company shall provide each Holder of Preferred Shares with prompt written notice of all actions taken pursuant to the terms of this Certificate of Designations, including in reasonable detail a description of such action and the reason therefor. Whenever notice is required to be given under this Certificate of Designations, unless otherwise provided herein, such notice must be in writing and shall be given in accordance with Section 5.4 of the Purchase Agreement. Without limiting the generality of the foregoing, the Company shall give written notice to each Holder (i) promptly following any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Stock, (B) with respect to any grant, issuances, or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to all holders of shares of Common Stock as a class or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided, in each case, that such information shall be made known to the public prior to, or simultaneously with, such notice being provided to any Holder.

19. Transfer of Preferred Shares. The Holder may, subject to compliance with applicable securities laws, transfer some or all of its Preferred Shares without the consent of the Company.

20. Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Preferred Shares, in which the Company shall record the name, address and email address of the Persons in whose name the Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Preferred Shares is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

21. Stockholder Matters; Amendment.

(a) Stockholder Matters. Any stockholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the DGCL, the Certificate of Incorporation, this Certificate of Designations or otherwise with respect to the issuance of Preferred Shares may be effected by written consent of the Company's stockholders or at a duly called meeting of the Company's stockholders, all in accordance with the applicable rules and regulations of the DGCL. This provision is intended to comply with the applicable sections of the DGCL permitting stockholder action, approval and consent affected by written consent in lieu of a meeting.

(b) Amendment. This Certificate of Designations or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose, or written consent without a meeting in accordance with the DGCL, of the Required Holders, voting separate as a single class, and with such other stockholder approval, if any, as may then be required pursuant to the DGCL and the Certificate of Incorporation.

22. Dispute Resolution.

(a) Disputes Over Closing Bid Price, Closing Sale Price, Conversion Price, VWAP or Fair Market Value

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Conversion Price, a VWAP or fair market value (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or such applicable Holder (as the case may be) shall submit the dispute via email (I) within two (2) Business Days after delivery of the applicable notice giving rise to such dispute to the Company or such Holder (as the case may be) or (II) if no notice gave rise to such dispute, at any time after such Holder learned of the circumstances giving rise to such dispute. If such Holder and the Company are unable to resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Conversion Price, such VWAP or such fair market value (as the case maybe) by 5:00p.m. (New York time) on the third (3nl) Business Day following such delivery by the Company or such Holder (as the case may be) of such dispute to the Company or such Holder (as the case may be), then such Holder shall select an independent, reputable investment bank to resolve such dispute.

(ii) Such Holder and the Company shall each deliver to such investment bank (x) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 22(a) and (y) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which such Holder selected such investment bank (the **"Dispute Submission Deadline")** (the documents referred to in the immediately preceding clauses (x) and (y) are collectively referred to herein as the **"Required Dispute Documentation")** (it being understood and agreed that if either such Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and such Holder or otherwise requested by such investment bank, neither the Company nor such Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and such Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and such Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

(b) Disputes Over Arithmetic Calculation of the Conversion Rate.

(i) In the case of a dispute as to the arithmetic calculation of a Conversion Rate, the Company or such Holder (as the case may be) shall submit the disputed arithmetic calculation via email (i) within two (2) Business Days after delivery of the applicable notice giving rise to such dispute to the Company or such Holder (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after such Holder learned of the circumstances giving rise to such dispute. If such Holder and the Company are unable to resolve such disputed arithmetic calculation of such Conversion Rate by 5:00 p.m. (New York time) on the third (3"") Business Day following such delivery by the Company or such Holder (as the case may be) of such disputed arithmetic calculation, then such Holder shall select an independent, reputable accountant or accounting firm to perform such disputed arithmetic calculation.

(ii) Such Holder and the Company shall each deliver to such accountant or accounting firm (as the case may be) (x) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 22(a) and (y) written documentation supporting its position with respect to such disputed arithmetic calculation, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which such Holder selected such accountant or accounting firm (as the case may be) (the "**Submission Deadline**") (the documents referred to in the immediately preceding clauses (x) and (y) are collectively referred to herein as the "**Required Documentation**") (it being understood and agreed that if either such Holder or the Company fails to so deliver all of the Required Documentation by the Submission Deadline, then the party who fails to so submit all of the Required Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such accountant or accounting firm (as the case may be) with respect to such disputed arithmetic calculation and such accountant or accounting firm (as the case may be) shall perform such disputed arithmetic calculation based solely on the Required Documentation that was delivered to such accountant or accounting firm (as the case may be) prior to the Submission Deadline). Unless otherwise agreed to in writing by both the Company and such Holder or otherwise requested by such accountant or accounting firm (as the case may be), neither the Company nor such Holder shall be entitled to deliver or submit any written documentation or other support to such accountant or accounting firm (as the case may be) in connection with such disputed arithmetic calculation of the Conversion Rate (other than the Required Documentation).

(iii) The Company and such Holder shall cause such accountant or accounting firm (as the case may be) to perform such disputed arithmetic calculation and notify the Company and such Holder of the results no later than ten (10) Business Days immediately following the Submission Deadline. The fees and expenses of such accountant or accounting firm (as the case may be) shall be borne solely by the Company, and such accountant's or accounting firm's (as the case may be) arithmetic calculation shall be final and binding upon all parties absent manifest error.

(c) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 22 constitutes an agreement to arbitrate between the Company and such Holder (and constitutes an arbitration agreement) under § 7501, et seq. of the New York Civil Practice Law and Rules **("CPLR")** and that each party shall be entitled to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this Section 22, (ii) a dispute relating to a Conversion Price includes, without limitation, disputes as to (1) the consideration per share at which an issuance or deemed issuance of Common Stock occurred, and (2) whether an agreement, instrument, security or the like constitutes an Option or Convertible Security, (iii) the terms of this Certificate of Designations and the Purchase Agreement shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Certificate of Designations and the Purchase Agreement, (iv) the terms of this Certificate of Designations and each other applicable Transaction Document shall serve as the basis for the selected accountant's or accounting firm's performance of the applicable arithmetic calculation, (v) for clarification purposes and without implication that the contrary would otherwise be true, disputes relating to matters described in Section 22(a) shall be governed by Section 22(a) and not by Section 22(b), (vi) such Holder (and only such Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 22 to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this Section 22 and (vii) nothing in this Section 22 shall limit such Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in Section 22(a) or Section 22(b)).

23. Certain Defined Terms. For purposes of this Certificate of Designations, the following terms shall have the following meanings:

(a) **"1934 Act"** means the Securities Exchange Act of 1934, as amended.

(b) **"Base Amount"** means, with respect to each Preferred Share, as of the applicable date of determination, the sum of (1) the Stated Value thereof, plus (2) the Unpaid Dividend Amount thereon as of such date of determination.

(c) **"Bloomberg"** means Bloomberg, L.P.

(d) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(e) **"Closing Bid Price"** and **"Closing Sale Price"** means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the applicable Holder. If the Company and such Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 22. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

(f) **"Common Stock"** means (i) the Company's shares of common stock, $0.001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.

(g) **"Conversion Price"** means, with respect to each Preferred Share, as of any Conversion Date or other applicable date of determination, $.20, subject to adjustment as provided herein.

(h) **"Conversion Shares"** means (i) the shares of Common Stock into which the Preferred Shares are convertible, and (ii) any capital stock into which such Conversion Shares shall have been changed or any share capital resulting from a reclassification of such common stock

(i) **"Convertible Securities"** means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock.

(i) **"Eligible Market"** means The New York Stock Exchange, the NYSE MKT, the Nasdaq Global Select Market, the Nasdaq Global Market, the Over-the-Counter Bulletin Board, the OTCQB, the OTCQX or the Principal Market (or any successor thereto).

(k) **"Equity Conditions"** means, during the period in question, (a) the Corporation shall have duly honored all conversions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the applicable Holder on or prior to the dates so requested or required, if any, (b) the Corporation shall have paid all liquidated damages and other amounts owing to the applicable Holder in respect of the Preferred Stock, (c) all of the Conversion Shares issuable pursuant to the Transaction Documents (and shares issuable in lieu of cash payments of dividends) may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Corporation as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders or the Conversion Shares are registered for resale under the Securities Act, (d) the Common Stock is trading on a the Nasdaq Stock Market and all of the shares issuable pursuant to the Transaction Documents are listed or quoted for trading on such the Nasdaq Stock Market (and the Corporation believes, in good faith, that trading of the Common Stock on the Nasdaq Stock Market will continue uninterrupted for the foreseeable future), (e) there is a sufficient number of authorized, but unissued and otherwise unreserved, shares of Common Stock for the issuance of all of the shares then issuable pursuant to the Transaction Documents, (f) the issuance of the shares in question to the applicable Holder would not violate the limitations set forth in Section 4(e) herein, there has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control Transaction that has not been consummated, (h) the applicable Holder is not in possession of any information provided by the Corporation that constitutes, or may constitute, material non-public information, (i) for each Trading Day in a period of 10 consecutive Trading Days prior to the applicable date in question, the daily trading volume for the Common Stock on the Nasdaq Stock Market exceeds $350,000 per Trading Day and the closing price of the Common Stock on each such day equals at least 130% of the Conversion Price, and (i) the Company's Common Stock must be DTC and DWAC eligible.

(I) **"Fundamental Transaction"** means if, at any time while any Preferred Shares are outstanding (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Common Stock (not including any Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination), it being understood that the completion of the SCWorx Acquisition shall not be deemed a "Fundamental Transaction" for purposes of this Certificate of Designations. "Options" means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities.

(m) **"Junior Securities"** mean any security of the Company. Including and series of preferred stock, which by its terms is junior to the rights and preferences of the Preferred Stock.

(n) **"Purchase Agreement"** means that certain Securities Purchase Agreement by and among the Company and the initial holders of Preferred Shares, dated as of the Initial Issuance Date, as may be amended from time in accordance with the terms thereof.

(o) **"Parent Entity"** of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(p) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(q) **"Principal Market"** means The NASDAQ Capital Market.

(r) **"SEC"** means the Securities and Exchange Commission or the successor thereto.

(s) **"Stated Value"** shall mean $10.00 per share, subject to adjustment for stock splits, stock dividends, recapitalizations, reorganizations, reclassifications, combinations, subdivisions or other similar events occurring after the Initial Issuance Date with respect to the Preferred Shares.

(t) **"Subsidiaries"** shall have the meaning as set forth in the Purchase Agreement.

(u) **"Successor Entity"** means the Person (or, if so elected by the Required Holders, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Required Holders, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(v) **"Trading Day"** means, as applicable, (x) with respect to all price determinations relating to the Common Stock, any day on which the Common Stock is traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded, provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time) unless such day is otherwise designated as a Trading Day in writing by the Required Holders or (y) with respect to all determinations other than price determinations relating to the Common Stock, any day on which The New York Stock Exchange (or any successor thereto) is open for trading of securities.

(w) **"Transaction Documents"** means the Purchase Agreement, this designation and all other agreements and documents executed in connection with the issuance and sale of the Preferred Stock.

(x) **"Unpaid Dividend Amount"** means, as of the applicable date of determination, with respect to each Preferred Share, all declared and unpaid Dividends on such Preferred Share.

(y) **"Voting Stock"** of a Person means capital stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers, trustees or other similar governing body of such Person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

(x) **"VWAP",** for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock are then listed or quoted on a Eligible Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Eligible Market on which the Common Stock are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not an Eligible Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of an Common Stock re as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Preferred Shares then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

2 4 . Disclosure. Upon receipt or delivery by the Company of any notice in accordance with the terms of this Certificate of Designations, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall simultaneously with any such receipt or delivery publicly disclose such material, non-public information on a Current Report on Form 8-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to each Holder contemporaneously with delivery of such notice, and in the absence of any such indication, each Holder shall be allowed to presume that all matters relating to such notice do not constitute material, non-public information relating to the Company or its Subsidiaries. Nothing contained in this Section 24 shall limit any obligations of the Company, or any rights of any Holder, under the Purchase Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations of Series A Convertible Preferred Stock of Alliance MMA, Inc. to be signed by its President on this 30th day of November, 2018.

ALLIANCE MMA, INC.

By: /S/ John Price

Name: John Price

Title: President

EXHIBIT I

ALLIANCE MMA, INC.
CONVERSION NOTICE

Reference is made to the Certificate of Designations, Preferences and Rights of the Series A Convertible Preferred Stock of Alliance MMA, Inc. Company (the **"Certificate of Designations").** In accordance with and pursuant to the Certificate of Designations, the undersigned here by elects to convert the number of shares of Series A Convertible Preferred Stock, $0.001 par value per share (the **"Preferred Shares"),** of Alliance MMA, Inc., a Delaware corporation (the **"Company"),** indicated below into shares of common stock, $0.001 par value per share (the **"Common Stock"),** of the Company, as of the date specified below.

Date of Conversion: _____

Number of Preferred Shares to be converted: _____

Share certificate no(s). of Preferred Shares to be converted: _____

Tax ID Number (If applicable): _____

Conversion Price: _____

Number of shares of Common Stock to be issued: _____

Please issue the shares of Common Stock into which the Preferred Shares are being converted in the following name and to the following address:

Issue to: _____

_____

Address: _____

Telephone Number: _____

Email address: _____

Holder: _____

By: _____

Title: _____

Dated: _____

Account Number (if electronic book entry transfer): _____

Transaction Code Number (if electronic book entry transfer): _____

EXHIBIT II

ACKNOWLEDGMENT

The Company hereby acknowledges this Conversion Notice and hereby directs [_____] to issue the above indicated number of shares of Common Stock in accordance with the Irrevocable Transfer Agent Instructions dated _____,2018 from the Company and acknowledged and agreed to by [_____].

ALLIANCE MMA, INC.

By: _____

Name:
Title:

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION

The corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify:

FIRST: That at a meeting of the Board of Directors of

Alliance MMA, Inc.

resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered **"FIRST"** so that, as amended, said Article shall be and read as follows:

FIRST: The name of this corporation is SCWorx Corp. (the "Corporation").

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the first two sentences of the Article thereof numbered **"Fourth"** so that, as amended, shall be and read as follows:

FOURTH: The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 50,000,000 shares, consisting of:

(i) 45,000,000 shares of Common Stock, $0.001 par value per share ("Common Stock"); and

(ii) 5,000,000 shares of Preferred Stock, $0.001 par value per share ("Preferred Stock").

The Preferred Stock and the Common Stock shall have the rights, preferences and limitations set forth below.

Effective at 5:00 p.m., Eastern Standard Time, on February 1, 2019 (the "Effective Time"), every nineteen (19) shares of the Corporation's common stock (the "Old common stock") issued and outstanding immediately prior to the Effective Time will be automatically and without any action on the part of the respective holders thereof be combined and converted into one (1) share of common stock of the Corporation (the "New common stock") (such combination and conversion, the "Reverse Stock Split").

Notwithstanding the immediately preceding sentence, any fractional share of New common stock resulting from the Reverse Stock Split shall be rounded up to the nearest whole share and issuable to the holders of record of Old common stock in connection with the foregoing reclassification of shares of Old common stock.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendments, as applicable.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed this 31st day of January, 2019.

By: /S/ John Price
Authorized Officer

Title: President & CFO

Name: John Price
Print or Type

Exhibit 10.2

Settlement Agreement

This Settlement Agreement ("Agreement") is made and entered into this day December 24, 2018 by and between Alliance MMA and its successors and assigns ("Alliance") and Ira S. Rainess ("Executive"). Upon execution the employment agreement is terminated as of this date with neither party having any further rights or obligations to those agreements.

The parties to this Agreement, to avoid the costs and delays associated with litigation, have in an attempt to resolve this matter Executive and Alliance agree as follows:

1. ***Settlement Payments.*** Alliance will pay One Hundred Thousand Dollars ($100,000). Ten Thousand Dollars ($10,000) on December 26th and Ninety Thousand ($90,000) the sooner of two days after the completion of the merger with SCWorx or January 31, 2019.

2. ***Stock Options.*** Upon execution of this Agreement Executive will be issued options to purchase an aggregate of 350,000 shares of Common Stock. The exercise price of the Option Agreement for 350,000 shares will be 25 cents per share. The Option Agreement is hereby attached.

3. ***Mutual Releases.*** Upon the fulfillment of all the terms herein, each of the parties hereto hereby agrees to release the other party from any claims, liabilities or damages arising out of the relationship between Executive and Alliance (including officers and directors of AMMA).

4. ***Non-Compete and Non-Solicitation.*** All obligations set forth in the Non- Competition and Non- Solicitation Agreement are hereby null and void.

5. ***Confidentiality.*** Parties shall keep the terms of this Agreement and General Release Confidential.

6. ***Representations and Warranties.*** Both parties represent that they have the full right and authority to enter into and perform this Agreement in accordance with the terms.

7. ***Indemnification.*** Alliance agrees to indemnify, defend, and hold harmless Executive from and against any loss, cost, or damage of any kind (including reasonable outside attorneys' fees) arising out of any of Alliance's activities past, present or future.

8. ***Interference.*** Both parties shall not, directly or indirectly, interfere with any of Executive's business or personal relationships past, present or future.

9. ***Breach of Agreement.*** It is further agreed that this Agreement shall be deemed breached and a cause of action accrued thereon immediately upon the commencement of any act, action, or conduct contrary to the Agreement.

10. ***Liquidated Damages.*** The parties agree that their liability in any action or other proceeding accruing from a breach of this Agreement shall include not only the monetary amount of any judgment which may be awarded against the breaching party, in any action or proceeding commenced in breach of this Agreement, but also all other damages, costs, and expenses sustained by the parties, on account of such action, including attorneys' fees and all other costs and expenses.

11. ***Non-Disparagement.*** Both parties agrees to instruct all its officers, successors and assigns not to make and statements, written or oral, which denigrate, disparage or defame the goodwill and reputation of each party to the Agreement.

12. ***Successors and Assigns.*** This agreement is binding upon, and inures to the benefit of, the parties and their respective successors and assigns.

13. ***Severability.*** In the event a court of competent jurisdiction determines that any part or provision of this Agreement is unenforceable all remaining provisions of this Agreement shall remain in full force and effect and shall be fully enforceable.

14. ***Full Integration.*** The parties declare and understand that no promises, inducements, or agreements not contained in this Agreement have been made to them, that this Agreement contains the entire agreement among the parties, and that the terms of this Agreement are contractual and not merely a recital.

15. ***Choice of Law.*** This Agreement is to be interpreted and applied according to the laws of the State of Maryland.

16. Miscellaneous.

(a) Executive acknowledges that he has an opportunity to discuss with an attorney and waives the 7 day clause to revoke the Agreement.
(b) This Agreement may be executed in counterparts each of will be deemed part of the original and may be electronically scanned signatures.

In Witness Whereof, Alliance has caused this Agreement to be executed by its duly authorized officer, and Executive has executed this Agreement as of the date noted below.

/s/ Ira S. Rainess
Ira S. Rainess **Dated 12-22-2018**

/s/ Alliance MMA
Alliance MMA **Dated 12-22-2018**

Exhibit 10.3

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (this "Agreement") is made and entered into as of the 30th day of January, 2019 by and between The Garr Group, Inc. ("Garr Group") and Alliance MMA, Inc. ("AMMA"). Garr Group and AMMA are hereinafter referred to collectively from time to time as the "Parties".

WHEREAS, on November 30, 2016, Garr Group and AMMA entered into a Sublease Agreement, whereby Garr Group agreed to sublease certain real property located at 1 Keystone
Avenue, Cherry Hill, New Jersey 08003 (the "Property") to AMMA, upon certain terms and conditions;

WHEREAS, under the Sublease Agreement, AMMA is required to pay Garr Group rent in the amount of $11,165.00 per month from February 1, 2018 to June 30, 2019;

WHEREAS, AMMA failed to pay Garr Group rent owing and due under the Sublease from March 2018 to the present;

WHEREAS, Garr Group initiated an action against AMMA in the New Jersey Superior Court, Law Division, Camden County, under the captionThe Garr Group, Inc. v. Alliance MMA, Inc., Docket No.: 3310-18 (the "Action");

WHEREAS, the Parties desire to resolve the Action amicably and desire to memorialize the terms and conditions of such resolution in this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, and intending to be legally bound, the Parties agree as follows:

1. **PAYMENT AND ISSUANCE OF STOCK OPTIONS.** AMMA shall pay to Garr Group either: (1) the sum of Seventy-Five Thousand Dollars ($75,000.00) on or before February 4, 2019 or (2) the sum of Ninety Thousand Dollars ($90,000.00) on or before February 25, 2019. In addition, upon execution of this Agreement, AMMA shall issue stock options to Garr Group with a "Black-Scholes" value of Fifty Thousand Dollars ($50,000).

2. **RELEASE.** The Parties hereby forever **RELEASE AND DISCHARGE** each other's respective past and present principals, agents, partners, members, managers, employees, insurers, owners, stockholders, predecessors, successors, assigns, devises, directors, officers, subsidiaries, parent companies, attorneys, heirs and administrators from any and all asserted or potential claims, causes of action (at law or equity), liabilities, damages or losses of any kind, anticipated or unanticipated, known or unknown, which the Parties may have against each other up to and including the date of this Agreement. **IT IS UNDERSTOOD, ACKNOWLEDGED AND AGREED BY AMMA THAT GARR GROUP'S RELEASE OF ANY SUCH CLAIMS AGAINST AMMA IS CONTINGENT UPON AMMA'S PAYMENT IN FULL OF THE SUM SET FORTH IN SECTION 1 ABOVE BY THE APPLICABLE DATE.**

3. **DEFAULT.** Failure on the part of AMMA to tender the payment listed in Section 1 to Garr Group by the applicable date shall be deemed a default under this Agreement. In the event of a default by AMMA, the sum of One Hundred Sixty Seven Thousand Nine Hundred Fifteen Dollars and Ninety One Cents ($167,915.91) shall become immediately due and payable, plus any attorneys' fees and costs incurred by Garr Group in enforcing the terms hereof. Furthermore, in the event of a default, Garr Group shall have the right, without notice to AMMA and without further application to the court, to enter judgment in the amount of One Hundred Sixty Seven Thousand Nine Hundred Fifteen Dollars and Ninety One Cents ($167,915.91), together with any attorneys' fees and costs incurred by Garr Group in enforcing the terms hereof upon presentation of a certification to the clerk of the facts of the default.

4. **COMPLETE AGREEMENT.** This Agreement constitutes the entire agreement between the Parties and supersedes all oral and written agreements, if any, between the parties. No amendment or modification changing the scope or terms of this Agreement shall have any force or effect unless it is in writing and signed by all Parties.

5. **CONFIDENTIALITY.** The Parties agree that the terms and existence of this Agreement are and shall remain confidential and shall not be discussed or disclosed to any person other than the Parties to this Agreement, their attorneys, and their accountants, except that disclosure concerning the Agreement may be made (1) pursuant to an order of a court of competent jurisdiction, to comply with any statute, regulation, or ordinance, (2) to comply with any lawful subpoena, or (3) in any proceeding to enforce the terms of this Agreement.

6. **SIGNATURES.** The Parties intend and agree that a carbon copy, photocopy, pdf, facsimile or other electronic reproduction of this Agreement with their signature thereon shall be treated as an original, and shall be deemed to be as binding, valid, genuine, and authentic as an original signature document for all purposes, including all matters of evidence and the "best evidence" rules. This Agreement may be signed in counterparts.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound, have hereby executed this Settlement Agreement and Release on the date shown below.

THE GARR GROUP, INC.

By: /s/ Emily Gottschalk

Print Name: Emily Gottschalk

Title: President

_____
Witness

ALLIANCE MMA, INC.

By: /s/ John Price

Print Name: John Price

Title: President

_____
Witness

Exhibit 10.20

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), is made and entered into effective as of February 1, 2019, by and between SCWorx Corp., a Delaware corporation (the "Company"), and John Price, an individual and resident of the State of Colorado (the "Executive").

In consideration of the mutual covenants and undertakings herein contained, the parties, each intending to be legally bound, agree as follows:

1. Employment. Upon the terms and subject to the conditions set forth in this Agreement, the Company employs Executive as the Company's Chief Financial Officer, and Executive accepts such employment. The Executive will report to the Company's Chief Executive Officer. This agreement supersedes the Employment Agreement between the Company and the Executive dated August 3, 2016, which Agreement is hereby terminated and neither party shall have any further rights or obligation thereunder.

2. Position. Executive agrees to serve as Chief Financial Officer of the Company and to perform such duties as are commensurate with such office, including the oversight and management of the financial affairs of the Company and the Business. The Executive will devote substantially all his business time and efforts to the Company and the Company's business and will not engage in other business activities without the Company's prior consent, whether or not such business activity is pursued for profit, gain or other pecuniary advantage. Nothing herein will prevent Executive from engaging in investment activities unrelated to the Company's business for his own account. As used in this Agreement "Business" means the business of promoting, and otherwise commercializing the Company's SaaS business to the health care industry and the commercial exploitation of related products, services and markets.

3. Term. The term of this Agreement will begin on February 1, 2019 (the "Effective Date") and will end on the three-year anniversary of such date (the "Term"). The Term will automatically renew for renewal periods of one year each unless either party gives the other written notice of intent not to renew at least ninety (90) days prior to such date. The parties hereto agree that, upon the expiration of the Term, the Executive's employment with the Company will terminate and the Executive will not be entitled to any further compensation, except as otherwise expressly provided in this Agreement. The Company will be under no obligation whatsoever to renew or continue the employment of the Executive beyond the Term.

4. Salary.

(a) Compensation. Executive will receive a salary of Two Hundred Fifty Thousand dollars ($250,000) per year ("Base Compensation"), pro-rated for partial years, payable at regular intervals in accordance with the Company's normal practices in effect from time to time. Salary payments shall be subject to all applicable federal and state withholding, payroll, and other taxes, and all applicable deductions for benefits as may be required by law. Base Compensation and the benefits set forth under Section 5 below will commence on the Effective Date. Executive's Base Compensation will be reviewed annually by the compensation committee of the Board of Directors (the "Committee") and Executive will be eligible for consideration for merit-based increases to Base Compensation as determined by the Committee in its sole discretion, it is the intention of the Company to increase the Executive's Base Compensation on the first anniversary of the Term provided the Company achieves certain financial milestones to be agreed upon by the Company and the Executive.

(b) Bonus. In addition to Base Salary, Executive shall be eligible to receive discretionary performance based bonuses during the Term as determined by the Committee. Any bonus and any equity consideration to be provided to Executive shall be reviewed and determined by the Committee on an annual basis to set performance criteria for purposes of compliance with the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

(c) Equity Compensation. Effective as of February 13, 2019, the Executive was awarded RSUs priced at the market price under the Company's Second Amended and Restated 2016 Equity Incentive Plan (the "Plan"), and otherwise on such terms and subject to such conditions as the Committee shall determine. Executive may, as determined by the Committee in its discretion, periodically receive additional grants of stock options, restricted stock or other equity-related awards under the Plan or under any other equity compensation plan authorized by the Board from time to time, subject to the terms and conditions thereof. Upon a Change of Control (as defined in the Plan), all unvested stock options granted pursuant to this Agreement will immediately vest.

5. Benefit Programs.

(a) During the Term, Executive will be entitled to participate in or receive benefits as follows:

(i) health and dental insurance pursuant to the Company's current or future plans and policies (premium for only Executive to be paid by Company);

(ii) reimbursement of reasonable out-of-pocket relocation expenses, subject to the prior approval of the CEO;

(ii) participation in Company 401(k) plan with Company match of Executive's contribution on a dollar-for-dollar basis for the first 3% of Executive's Base Compensation; and

(iii) participation in any other Executive benefit plan of the Company provided to all employees of the Company on the same terms as other employees of the Company based on tenure and position.

All benefits will be pursuant to programs or arrangements made available by the Company on the date of this Agreement and from time to time in the future to the Company's other employees on a basis consistent with the terms, conditions and overall administration of the foregoing plans, programs or arrangements and with respect to which Executive is otherwise eligible to participate or receive benefits. Executive acknowledges such benefits are subject to change as and when changed by the Company generally.

(b) During the Term, the Company will provide Executive with a Company owned or leased computer and printer and supplies for Company purposes, and home office high-speed internet.

(c) During the Term, the Company will provide Executive with a mobile smart phone and either pay directly or reimburse Executive for the cost of a reasonable plan for Executive's use on behalf of the Company.

(d) The items provided in connection with paragraphs (b) and (c) will be returned by Executive to the Company upon any termination of this Agreement.

6. General Policies.

(a) So long as the Executive is employed by the Company pursuant to this Agreement, Executive will receive reimbursement from the Company, as appropriate, for all reasonable business expenses incurred by Executive in accordance with Company policies and in the course of his employment by the Company, upon submission to the Company of written vouchers or documented receipts and statements for reimbursement.

(b) During the Term, the Executive will be entitled to four weeks of paid vacation, which will be utilized at such times when his absence will not materially impair the Company' s normal business functions. In addition to the vacation described above, Executive also will be entitled to all paid holidays customarily given by the Company to its employees.

(c) All other matters relating to the employment of Executive by the Company not specifically addressed in this Agreement will be subject to the general policies regarding employees of the Company in effect from time to time.

7. Termination of Employment.

Executive's employment by the Company and this Agreement may be terminated before the expiration of the Term, without breach of this Agreement, in accordance with the provisions set forth below:

7 . 1 Termination by the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause (as defined below), but only after: (i) giving Executive written notice of the failure or conduct which the Company believes to constitute Cause; and (ii) with respect to elements (c) through (e) below, providing Executive a reasonable opportunity, and in no event more than twenty (20) days, to cure such failure or conduct, unless the Board determines in its good faith judgment that such failure or conduct is not reasonably capable of being cured. In the event Executive does not cure the alleged failure or conduct within the time frame provided for such cure by the Company, the Company shall send the Executive written notice specifying the effective date of termination. The failure by the Company to set forth in the notice referenced in this Section 7.1 any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company to assert, or preclude the Company from asserting, such fact or circumstance in enforcing its rights hereunder. For purposes of this Agreement, the term "Cause" means:

(a) conviction of a felony or a crime involving fraud or moral turpitude; or

(b) theft, material act of dishonesty or fraud, intentional falsification of any employment or Corporation records, or commission of any criminal act which impairs participant's ability to perform appropriate employment duties for the Corporation; or

(c) intentional or reckless conduct or gross negligence materially harmful to the Corporation or the successor to the Corporation after a Change in Control, including violation of a non-competition or confidentiality agreement; or

(d) willful failure to follow lawful instructions of the person or body to which participant reports; or

(e) gross negligence or willful misconduct in the performance of participant's assigned duties. Cause shall not include unsatisfactory performance in the achievement of Executive's job objectives, unless Executive fails to cure such unsatisfactory performance as provided above.

If the Company terminates Executive's employment for Cause, then Executive shall be entitled to receive the payments and benefits set forth in Section 8.1 below.

The Company may suspend Executive with pay pending an investigation authorized by the Company or a governmental authority or a determination whether Executive has engaged in acts or omissions constituting Cause, and such paid suspension shall not constitute Good Reason or a termination of Executive's employment.

7.2 Termination by the Company Without Cause.

(a) The Company may terminate the employment of Executive and this Agreement at any time during the Term of this Agreement without Cause by giving Executive written notice of such termination, to be effective upon the giving of such written notice, in which case Executive shall receive the compensation, severance, and benefit continuation required by Section 8.3 below; provided, however, that if Company terminates Executive's employment without Cause during the Protection Period (as defined below), then Executive shall be entitled to receive the payments and benefits set forth in Section 8.4 below.

(b) For purposes of this Agreement, the term "Protection Period" means the period of time commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the second anniversary of the first occurrence of the Change in Control, and (ii) the Term of this Agreement; and the six (6) month period prior to such Change in Control date if the Executive is terminated without Cause or terminates for Good Reason and in either case such termination (x) was requested by the third party that effectuates the Change in Control, or (y) occurs in connection with or in anticipation of a Change in Control, it being agreed that any such action taken following stockholder approval of a transaction which if consummated would constitute a Change in Control shall be deemed to be in anticipation of a Change in Control provided such transaction is actually consummated.

7.3 Termination by the Company Due to Inability to Perform or Death.

(a) The Company may terminate the employment of Executive and this Agreement at any time during the Term of this Agreement, to the extent permitted by law, upon thirty (30) days' notice to Executive in the event of Executive's Inability to Perform. For this purpose, the term "Inability to Perform" means and shall be deemed to have occurred if Executive has been determined under the Company's long term disability plan to be eligible for long-term disability benefits or, in the event the Company does not maintain such a plan or in the absence of Executive's participation in or application for benefits under such a plan, such term shall mean the inability of Executive, despite any reasonable accommodation required by law, due to bodily injury or disease or any other physical or mental incapacity, to perform the services required hereunder for a period of ninety (90) consecutive days; or

(b) This Agreement shall be deemed terminated immediately upon the death of Executive.

7.4 Termination by Executive for Good Reason. Executive may terminate his employment and this Agreement at any time for Good Reason (as defined below). A termination of employment and this Agreement by Executive for Good Reason shall entitle Executive to payments and other benefits as specified in Section 8.3, unless such termination occurs during the Protection Period in which case the payments and benefits in Section 8.4 shall apply. For purposes of this Agreement, the term "Good Reason" means, subject to the notice and cure provisions herein, any of the following actions if taken without Executive's prior written consent: (a) the assignment to the Executive of any duties materially inconsistent with the position in the Corporation that Executive held immediately prior to the assignment; (b) a Change of Control resulting in a significant adverse alteration in the status or conditions of Executive's participation with the Corporation or other nature of Executive's responsibilities from those in effect prior to such Change of Control, including any significant alteration in Executive's responsibilities immediately prior to such Change in Control; (c) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive prior to such failure; or (d) any other action or inaction that constitutes a material breach by the Company of this Agreement. To exercise the option to terminate employment for Good Reason, Executive must provide written notice to the Company of Executive's belief that Good Reason exists within sixty (60) days of the initial existence of the Good Reason condition, and that notice shall describe in reasonable detail the condition(s) believed to constitute Good Reason. The Company then shall have thirty (30) days to remedy the Good Reason condition(s). If not remedied within that 30-day period or if the Company notifies Executive that it does not intend to cure such condition(s) before the end of that 30-day period, Executive may submit a notice of termination to the Company; provided, however, that the notice of termination invoking Executive's option to terminate employment for Good Reason must be given no later than sixty (60) days after the date the Good Reason condition first arose; otherwise, Executive shall be deemed to have accepted the condition(s), or the Company's correction of such condition(s), that may have given rise to the existence of Good Reason.

7.5 Termination by Executive Without Good Reason. Executive may also terminate his employment and this Agreement without Good Reason by providing at least ninety (90) days' written notice of such termination to the Company. In the event of a termination pursuant to this Section 7.5, Executive shall be entitled to payments and other benefits as specified in Section 8.1 below. At the Company's option, the Company may accelerate the date of Executive's termination of employment by paying to Executive the Base Salary and value of the benefits that Executive would have received during the period by which the date of termination is so accelerated and such acceleration shall not change the characterization of the termination by Executive as a termination without Good Reason.

7.6 Return of Confidential Information and Company Property. Upon termination of Executive's employment for any reason, Executive shall immediately return all Confidential Information and other Company property to the Company.

8. Effect of Termination.

8.1 Termination by the Company for Cause or Termination by Executive Without Good Reason

In the event Executive's employment and this Agreement are terminated pursuant to Sections 7.1 or 7.5 above:

(a) The Company shall pay to Executive, or his representatives, on the date of termination of employment only that portion of the Base Salary and benefits provided in Section 4(a) that has been accrued through the date of termination, any accrued but unpaid vacation pay provided in Section 4(a), any accrued benefits provided in Section 5, and any expense reimbursements due and owing to Executive as of the date of termination; and

(b) Executive shall not be entitled to: (i) any other salary or compensation; (ii) any bonus pursuant to Section 4(b); (iii) any equity consideration pursuant to Section 4(c); nor (iv) any benefits pursuant to Section 5; and

(c) Executive shall return the laptop computer and cellular telephone provided in Section 5 within five (5) business days of the date of termination.

8.2 Termination by the Company Due to Executive's Inability to Perform or Death

In the event Executive's employment and this Agreement are terminated pursuant to Section 7.3 above, the Company shall pay to Executive, or his representatives, all of the following:

(a) The payments, if any, referred to in Section 8.1(a) above as of the date of termination; and

(b) Subject to compliance with Section 409A of the Code, an amount equal to the greater of (i) one hundred percent (100%) of Executive's target bonus (if any) for the year in which the date of termination occurs, or (ii) a bonus for such year as may be determined by the Committee in its sole discretion. This amount shall be paid in the form of a lump sum, less applicable statutory deductions and withholdings, as soon as practicable after the date of termination, but no later than March 15 of the year immediately following the year in which the date of termination occurs; and

(c) For a termination due to Inability to Perform only, then the Company shall pay Executive a severance equal to six (6) months of Executive's Base Salary at the time of termination. This severance amount shall be paid to Executive in equal regular installments over the six (6) month period pursuant to the Company's regular payroll periods, less applicable statutory deductions and tax withholdings. The first installment shall be paid to Executive on the first payroll period after the date of termination; and

(d) Should Executive or his representatives timely elect to continue coverage under a group health insurance plan sponsored by the Company or one of its affiliates and timely make the premium payments, reimburse Executive on a monthly basis for the cost of continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") or other applicable law for Executive and any eligible dependents until the earlier of (i) the date Executive is no longer entitled to continuation coverage under COBRA or (ii) for twelve (12) months after the date of termination.

8.3 Termination by the Company Without Cause and Without a Change in Control or by Executive for Good Reason Without a Change in Control. In the event Executive's employment is terminated pursuant to Sections 7.2 or 7.4 above at any time in which there has not been a qualifying Change in Control termination, the Company shall pay Executive on the date of termination the payments referred to in Section 8.1(a) above, Executive shall also receive all of the following:

(a) A severance package equal to the lesser of (i) six (6) months of Executive's Base Salary at the time of termination and (ii) the Base Salary remaining under the Term of this Agreement. This severance amount shall be paid to Executive in equal regular installments over the term of the severance period pursuant to the Company's regular payroll periods, less applicable statutory deductions and tax withholdings. The first installment shall be paid to Executive on the first payroll period after the date of termination; and

(b) Subject to compliance with Section 409A of the Code, an amount equal to the greater of (i) (A) if the date of termination occurs between January 1 and June 30, then twenty-five percent (25%) of Executive's target bonus (if any) for the year in which the date of termination occurs or (B) if the date of termination occurs between July 1 and December 31, then fifty percent (50%) of Executive's target bonus (if any) for the year in which the date of termination occurs; and (ii) a bonus for such year as may be determined by the Committee in its sole discretion. This amount shall be paid in the form of a lump sum, less applicable statutory deductions and withholdings, as soon as practicable after the date of termination, but no later than March 15 of the year immediately following the year in which the date of termination occurs;

(c) Should Executive or his representatives timely elect to continue coverage under a group health insurance plan sponsored by the Company or one of its affiliates and timely make the premium payments, reimburse Executive on a monthly basis for the cost of continued coverage under the COBRA for Executive and any eligible dependents until the earlier of (i) the date Executive is no longer entitled to continuation coverage under COBRA or (ii) for twelve (12) months after the date of termination; and

Unless otherwise provided in the equity award agreement, all stock options and other stock incentive awards held by Executive will become fully vested and immediately exercisable and all restrictions on any restricted stock held by Executive will be removed; provided, however, Executive shall not be released from the black-out periods for the next financial reporting quarter following the date of termination or Securities Exchange Act of 1934, as amended (the "Exchange Act") , trading obligations typically required for an executive in this position .

8.4 Termination by the Company Without Cause After a Change in Control or by Executive for Good Reason After a Change in Control

In the event Executive's employment is terminated pursuant to Sections 7.2 or 7.4 above during the Protection Period, the Company shall pay Executive on the date of termination the payments referred to in Section 7.l (a) above, Executive shall also receive all of the following:

(a) Subject to compliance with Section 409A of the Code, a severance package equal to one year of Executive's Base Salary immediately prior to the Change in Control. This severance amount shall be paid to Executive in equal regular installments over a 12-month period pursuant to the Company's regular payroll periods, less applicable statutory deductions and tax withholdings. The first installment shall be paid to Executive on the first payroll period after the date of te1mination and after the effective date of the Release; and

(b) Subject to compliance with Section 409A of the Code, an amount equal to the greater of (i) one hundred percent (100%) of Executive's target bonus (if any) for the year in which the date of termination occurs or (ii) a bonus for such year as may be determined by the Committee in its sole discretion. This amount shall be paid in the form of a lump sum, less applicable statutory deductions and withholdings, as soon as practicable after the date of termination, but no later than March 15 of the year immediately following the year in which the date of termination occurs; and

(c) A one-time cash payment equivalent to one year's salary, less applicable statutory deductions and tax withholdings, to be paid within thirty (30) days of the date of termination; and

(d) Should Executive or his representatives timely elect to continue coverage under a group health insurance plan sponsored by the Company or one of its affiliates and timely make the premium payments, reimburse Executive on a monthly basis for the cost of continued coverage under the COBRA for Executive and any eligible dependents until the earlier of (i) the date Executive is no longer entitled to continuation coverage under COBRA or (ii) for twelve (12) months after the date of termination; and

(e) All stock options and other incentive awards held by Executive will become fully vested and immediately exercisable and all restrictions on any restricted stock held by Executive will be removed; provided, however, Executive shall not be released from the black-out periods for the next financial quarter following the date of termination or any restrictions imposed under the Securities act of 1933, as amended, or Securities Exchange Act of 1934, as amended, trading obligations typically required for an executive in this position.

9. Non-Competition and Confidentiality Covenants. Executive and Company are party to that certain Non-Competition and Non-Solicitation Agreement, dated of even date herewith (the "Non-Competition Agreement"), attached hereto as Exhibit A, which is incorporated herein by reference. The Non-Competition Agreement contains, among other things, covenants of Executive respecting non-competition, non-solicitation and non-disclosure. Any breach of the Non-competition Agreement that is not cured as permitted therein shall be deemed a breach of this Section 9. The Non-Competition Agreement shall survive the termination of this Agreement pursuant to its terms.

10. Notices. For purposes of this Agreement, notices and all other communications provided for herein will be in writing and will be deemed to have been given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:
John Price
c/o SCWorx Corp.
590 Madison Avenue, 21st Floor
New York, New York 10022
Phone: (408) 550-5767

If to the Company:
SCWorx Corp.
590 Madison Avenue, 21st Floor
New York, New York 10022
Attention: Paul K. Danner, III
Phone: (212) 521-4268
Fax: (212) 521-4099

with copies to:

The Nossiff Law Firm, LLP
300 Brickstone Sq., Suite 201
Andover, MA 01810
Attention: John G. Nossiff, Esq.
Phone: (978) 409-2648
Email: Jnossiff@nossiff-law.com

or to such other address as either party hereto may have furnished to the other party in writing in accordance herewith, except that notices of change of address will be effective only upon receipt.

11. Governing Law. The validity, interpretation, and performance of this Agreement will be governed by the laws of the State of Delaware, without reference to the choice of law principles or rules thereof, except to the extent that federal law will be deemed to apply.

12. Modification. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by the Company and the Executive. No waiver by any party hereto at any time of any breach by another party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of dissimilar provisions or conditions at the same or any prior subsequent time. No agreements or representation, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

13. Validity. The invalidity or unenforceability of any provisions of this Agreement will not affect the validity or enforceability of any other provisions of this Agreement which will remain in full force and effect.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement.

15. Assignment. This Agreement is personal in nature and Executive may not, without consent of the Company, assign or transfer this Agreement or any rights or obligations hereunder.

16. Document Review. The Company and the Executive hereby acknowledge and agree that each (i) has read this Agreement in its entirety prior to executing it, (ii) understands the provisions and effects of this Agreement, (iii) has consulted with such attorneys, accountants and financial and other advisors as it or he has deemed appropriate in connection with their respective execution of this Agreement, and (iv) has executed this Agreement voluntarily and knowingly.

17. Entire Agreement This Agreement (including Exhibit A) together with any understandings or modifications thereof as agreed to in writing by the parties, will constitute the entire agreement between the parties hereto regarding the subject matter of Executive's employment with the Company.

18. Representations and Covenants of Executive. Executive represents and warrants to the Company that: (a) he has full power and authority to enter into this Agreement, (b) the execution and delivery of this Agreement and the performance of his duties hereunder shall not result in a breach of, or constitute a default under, any agreement or obligation to which he may be bound or subject, (c) this Agreement represents a valid, legally binding obligation on him and is enforceable against him in accordance with its terms except as the enforceability of this Agreement may be subject to or limited by general principles of equity and by bankruptcy or other similar laws relating to or affecting the rights of creditors generally, and (d) the Executive has resigned from all positions as an employee, officer, director or executive of prior employers.

19. Representations and Covenants of the Company. The Company represents and warrants to the Executive that: (a) it has full power and authority to enter into this Agreement, (b) the execution and delivery of this Agreement and the performance of its duties hereunder shall not result in a breach of, or constitute a default under, any agreement or obligation to which he may be bound or subject, and (c) this Agreement represents a valid, legally binding obligation on the Company and is enforceable against him in accordance with its terms except as the enforceability of this Agreement may be subject to or limited by general principles of equity and by bankruptcy or other similar laws relating to or affecting the rights of creditors generally.

[*Signature Page to Executive Employment Agreement Follows*]

[*Signature Page to Executive Employment Agreement*]

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed and delivered as of the date first set forth above.

SCWorx Corp

By: /s/ Marc S. Schessel
Marc S. Schessel
Title: CEO

/s/ John Price
John Price

Exhibit A

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT (the "Agreement"), dated as of February 1, 2019 (the "Effective Date") is entered into by and between SCWorx Corp. , a Delaware corporation ("Company") John Price, an individual and resident of the State of Colorado (the "Executive").

NOW, THEREFORE, in consideration of the employment or continued employment of the Executive by the Company, and the continued receipt and access to confidential, proprietary, and trade secret information associated with the Executive's position with the Company, the Executive and the Company agree as follows:

1 . Confidentiality. Executive understands and agrees that in the course of providing services to the Company, Executive may acquire confidential and/or proprietary information concerning the Company's operations, its future plans and its methods of doing business. Executive understands and agrees it would be extremely damaging to the Company if Executive disclosed such information to a competitor or made such information available to any other person. Executive understands and agrees that such information is divulged to Executive in strict confidence and Executive understands and agrees that Executive shall not use such information other than in connection with the Business and will keep such information secret and confidential unless disclosure is required by court order or otherwise by compulsion of law. In view of the nature of Executive's employment with the Company and the information that Executive has received during the course of Executive's employment, Executive also agrees that the Company would be irreparably harmed by any violation, or threatened violation of the agreements in this paragraph and that, therefor, the Company shall be entitled to an injunction prohibiting Executive from any violation or threatened violation of such agreements.

2 . Non-Competition and Non-Solicitation. The Executive acknowledges and agrees that the nature of the Company's confidential, proprietary, and trade secret information to which the Executive has, and will continue to have, access to derives value from the fact that it is not generally known and used by others in the highly competitive industry in which the Company competes. The Executive further acknowledges and agrees that, even in complete good faith, it would be impossible for the Executive to work in a similar capacity for a competitor of the Company without drawing upon and utilizing information gained during employment with the Company. Accordingly, at all times during the Executive's employment with the Company and for a period of one (1) year after termination, for any reason, of such employment, the Executive will not, directly or indirectly:

(a) Engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than one percent (1%) of the outstanding capital stock of a company) that directly or indirectly competes with the Company's business or the business of any of its subsidiaries anywhere in the United States; or

(b) Either alone or in association with others (i) solicit, or facilitate any organization with which the Executive is associated in soliciting, any employee of the Company or any of its subsidiaries to leave the employ of the Company or any of its subsidiaries; (ii) solicit for employment, hire or engage as an independent contractor, or facilitate any organization with which the Executive is associated in soliciting for employment, hire or engagement as an independent contractor, any person who was employed by the Company or any of its subsidiaries at any time during the term of the Executive's employment with the Seller or the Company or any of their respective subsidiaries (provided, that this clause (ii) shall not apply to any individual whose employment with the Seller, the Company or any of its subsidiaries has been terminated for a period of one year or longer); or (iii) solicit business from or perform services for any customer, supplier, licensee or business relation of the Seller or the Company or any of their respective subsidiaries, induce or attempt to induce, any such entity to cease doing business with the Company or any of its subsidiaries; or in any way interfere with the relationship between any such entity and the Company or any of its subsidiaries.

3 . Return of Property. Executive understands and agrees that all business information, files, research, records, memoranda, books, lists and other documents and tangible materials, including computer disks, and other hardware and software that he receives during his employment, whether confidential or not, are the property of the Company, and that, upon the termination of his services, for whatever reason, he will promptly deliver to the Company all such materials, including copies thereof, in his possession or under his control. Any analytical templates, books, presentations, reference materials, computer disks and other similar materials already rightfully owned by the Executive prior to the Effective Date shall remain the property of the Executive and any copies thereof obtained by or provided to the Company shall be returned or destroyed in a manner similar acceptable to the Executive.

4 . Not Employment Contract. The Executive acknowledges that this Non-Competition and Non-Solicitation Agreement does not constitute a contract of employment and, except as set forth in Executive Employment Agreement (to which this Agreement is ancillary), does not guarantee that the Company or any of its subsidiaries will continue his employment for any period of time or otherwise change the at-will nature of his employment.

5 . Interpretation. If any restriction set forth in Section 2 is found by any court of competent jurisdiction to be invalid, illegal, or unenforceable, it shall be modified to the minimum extent necessary to render the modified restriction valid, legal and enforceable. The parties intend that the non-competition and non-solicitation provisions contained in this Agreement shall be deemed to be a series of separate covenants, one for each and every county of each and every state of the United States of America where this provision is intended to be effective.

6. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

7 . Waiver of Rights. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

8 . Equitable Remedies. The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company and its subsidiaries and are considered by the Executive to be reasonable for such purpose. The Executive agrees that any breach of this Agreement is likely to cause the Company substantial and irrevocable damage and therefor, in the event of any such breach, the Executive agrees that the Company, in addition to such other remedies that may be available, shall be entitled to specific performance and other injunctive relief.

9 . Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Any action, suit, or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Delaware (or, if appropriate, a federal court located within Delaware), and the Company and the Executive each consent to the jurisdiction of such a court.

7. Term. This Agreement shall be effective on the Effective Date. This Agreement shall expire on the expiration of the employment agreement with Executive, as extended, provided the obligations of the Executive under Sections 2 shall survive for a period of one (1) year after expiration or termination. Notwithstanding the foregoing the obligations of the Executive under Sections 1 shall survive for two (2) years and Section 3 shall survive indefinitely.

8 . Certain Exclusions. The obligations stipulated in Section 1 of this Agreement shall not apply to confidential information which: (i) is, prior to disclosure, in the lawful possession of, or already known to, the Executive; (ii) has come into the public domain through no fault of the Executive; (iii) has been lawfully received from a third party without restrictions or breach of this Agreement; (iv) is independently developed by the Executive without any use of the confidential information of the Company; or (v) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body, subject to the Executive giving reasonable prior notice in writing to the Company to allow it to seek protective or other court orders.

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS AGREEMENT, HAS SOUGHT INDEPENDENT COUNSEL TO ADVISE HIM AS TO THE NATURE AND EXTENT OF HIS OBLIGATIONS HEREUNDER AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

[*Signature Page to Non-Competition And Non-Solicitation Agreement Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

COMPANY:

SCWorx Corp.

By: /s/ Marc S. Schessel
Name: Marc S. Schessel
Title: CEO

EXECUTIVE:

/s/ John Price
John Price

Exhibit 10.21

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), is made and entered into effective as of February 1, 2019, by and between SCWorx Corp., a Delaware corporation (the "Company"), and Marc S. Schessel, an individual and resident of the State of New York (the "Executive").

In consideration of the mutual covenants and undertakings herein contained, the parties, each intending to be legally bound, agree as follows:

1. Employment. Upon the terms and subject to the conditions set forth in this Agreement, the Company employs Executive as the Company's Chief Executive Officer, and Executive accepts such employment. The Executive will report to the Company's Board of Directors.

2. Position. Executive agrees to serve as Chief Financial Officer of the Company and to perform such duties as are commensurate with such office, including the oversight and management of the day-to-day affairs of the Company and the Business. The Executive will devote substantially all his business time and efforts to the Company and the Company's business and will not engage in other business activities without the Company's prior consent, whether or not such business activity is pursued for profit, gain or other pecuniary advantage. Nothing herein will prevent Executive from engaging in investment activities unrelated to the Company's business for his own account. As used in this Agreement "Business" means the business of promoting, and otherwise commercializing the Company's SaaS business to the health care industry and the commercial exploitation of related products, services and markets.

3. Term. The term of this Agreement will begin on February 1, 2019 (the "Effective Date") and will end on the three-year anniversary of such date (the "Term"). The Term will automatically renew for renewal periods of one year each unless either party gives the other written notice of intent not to renew at least ninety (90) days prior to such date. The parties hereto agree that, upon the expiration of the Term, the Executive's employment with the Company will terminate and the Executive will not be entitled to any further compensation, except as otherwise expressly provided in this Agreement. The Company will be under no obligation whatsoever to renew or continue the employment of the Executive beyond the Term.

4. Salary.

(a) Compensation. Executive will receive a salary of Four Hundred Thousand dollars ($400,000) per year ("Base Compensation"), pro-rated for partial years, payable at regular intervals in accordance with the Company's normal practices in effect from time to time. Salary payments shall be subject to all applicable federal and state withholding, payroll, and other taxes, and all applicable deductions for benefits as may be required by law. Base Compensation and the benefits set forth under Section 5 below will commence on the Effective Date. Executive's Base Compensation will be reviewed annually by the compensation committee of the Board of Directors (the "Committee") and Executive will be eligible for consideration for merit-based increases to Base Compensation as determined by the Committee in its sole discretion, it is the intention of the Company to increase the Executive's Base Compensation on the first anniversary of the Term provided the Company achieves certain financial milestones to be agreed upon by the Company and the Executive.

(b) Bonus. In addition to Base Salary, Executive shall be eligible to receive discretionary performance based bonuses during the Term as determined by the Committee. Any bonus and any equity consideration to be provided to Executive shall be reviewed and determined by the Committee on an annual basis to set performance criteria for purposes of compliance with the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

(c) Equity Compensation. Effective as of February 13, 2020, the Executive was awarded RSUs priced at the market price under the Company's Second Amended and Restated 2016 Equity Incentive Plan (the "Plan"), and otherwise on such terms and subject to such conditions as the Committee shall determine. Executive may, as determined by the Committee in its discretion, periodically receive additional grants of stock options, restricted stock or other equity-related awards under the Plan or under any other equity compensation plan authorized by the Board from time to time, subject to the terms and conditions thereof. Upon a Change of Control (as defined in the Plan), all unvested stock options granted pursuant to this Agreement will immediately vest.

5. Benefit Programs.

(a) During the Term, Executive will be entitled to participate in or receive benefits as follows:

(i) health and dental insurance pursuant to the Company's current or future plans and policies (premium for only Executive to be paid by Company);

(ii) reimbursement of reasonable out-of-pocket relocation expenses ;

(ii) participation in Company 401(k) plan with Company match of Executive's contribution on a dollar-for-dollar basis for the first 3% of Executive's Base Compensation; and

(iii) participation in any other Executive benefit plan of the Company provided to all employees of the Company on the same terms as other employees of the Company based on tenure and position.

All benefits will be pursuant to programs or arrangements made available by the Company on the date of this Agreement and from time to time in the future to the Company's other employees on a basis consistent with the terms, conditions and overall administration of the foregoing plans, programs or arrangements and with respect to which Executive is otherwise eligible to participate or receive benefits. Executive acknowledges such benefits are subject to change as and when changed by the Company generally.

(b) During the Term, the Company will provide Executive with a Company owned or leased computer and printer and supplies for Company purposes, and home office high-speed internet.

(c) During the Term, the Company will provide Executive with a mobile smart phone and either pay directly or reimburse Executive for the cost of a reasonable plan for Executive's use on behalf of the Company.

(d) The items provided in connection with paragraphs (b) and (c) will be returned by Executive to the Company upon any termination of this Agreement.

6. General Policies.

(a) So long as the Executive is employed by the Company pursuant to this Agreement, Executive will receive reimbursement from the Company, as appropriate, for all reasonable business expenses incurred by Executive in accordance with Company policies and in the course of his employment by the Company, upon submission to the Company of written vouchers or documented receipts and statements for reimbursement.

(b) During the Term, the Executive will be entitled to four weeks of paid vacation, which will be utilized at such times when his absence will not materially impair the Company' s normal business functions. In addition to the vacation described above, Executive also will be entitled to all paid holidays customarily given by the Company to its employees.

(c) All other matters relating to the employment of Executive by the Company not specifically addressed in this Agreement will be subject to the general policies regarding employees of the Company in effect from time to time.

7. Termination of Employment.

Executive's employment by the Company and this Agreement may be terminated before the expiration of the Term, without breach of this Agreement, in accordance with the provisions set forth below:

7 . 1 Termination by the Company for Cause. The Company may terminate Executive's employment and this Agreement for Cause (as defined below), but only after: (i) giving Executive written notice of the failure or conduct which the Company believes to constitute Cause; and (ii) with respect to elements (c) through (e) below, providing Executive a reasonable opportunity, and in no event more than twenty (20) days, to cure such failure or conduct, unless the Board determines in its good faith judgment that such failure or conduct is not reasonably capable of being cured. In the event Executive does not cure the alleged failure or conduct within the time frame provided for such cure by the Company, the Company shall send the Executive written notice specifying the effective date of termination. The failure by the Company to set forth in the notice referenced in this Section 7.1 any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company to assert, or preclude the Company from asserting, such fact or circumstance in enforcing its rights hereunder. For purposes of this Agreement, the term "Cause" means:

(a) conviction of a felony or a crime involving fraud or moral turpitude; or

(b) theft, material act of dishonesty or fraud, intentional falsification of any employment or Corporation records, or commission of any criminal act which impairs participant's ability to perform appropriate employment duties for the Corporation; or

(c) intentional or reckless conduct or gross negligence materially harmful to the Corporation or the successor to the Corporation after a Change in Control, including violation of a non-competition or confidentiality agreement; or

(d) willful failure to follow lawful instructions of the person or body to which participant reports; or

(e) gross negligence or willful misconduct in the performance of participant's assigned duties. Cause shall not include unsatisfactory performance in the achievement of Executive's job objectives, unless Executive fails to cure such unsatisfactory performance as provided above.

If the Company terminates Executive's employment for Cause, then Executive shall be entitled to receive the payments and benefits set forth in Section 8.1 below.

The Company may suspend Executive with pay pending an investigation authorized by the Company or a governmental authority or a determination whether Executive has engaged in acts or omissions constituting Cause, and such paid suspension shall not constitute Good Reason or a termination of Executive's employment.

7.2 Termination by the Company Without Cause.

(a) The Company may terminate the employment of Executive and this Agreement at any time during the Term of this Agreement without Cause by giving Executive written notice of such termination, to be effective upon the giving of such written notice, in which case Executive shall receive the compensation, severance, and benefit continuation required by Section 8.3 below; provided, however, that if Company terminates Executive's employment without Cause during the Protection Period (as defined below), then Executive shall be entitled to receive the payments and benefits set forth in Section 8.4 below.

(b) For purposes of this Agreement, the term "Protection Period" means the period of time commencing on the date of the first occurrence of a Change in Control and continuing until the earlier of (i) the second anniversary of the first occurrence of the Change in Control, and (ii) the Term of this Agreement; and the six (6) month period prior to such Change in Control date if the Executive is terminated without Cause or terminates for Good Reason and in either case such termination (x) was requested by the third party that effectuates the Change in Control, or (y) occurs in connection with or in anticipation of a Change in Control, it being agreed that any such action taken following stockholder approval of a transaction which if consummated would constitute a Change in Control shall be deemed to be in anticipation of a Change in Control provided such transaction is actually consummated.

7.3 Termination by the Company Due to Inability to Perform or Death.

(a) The Company may terminate the employment of Executive and this Agreement at any time during the Term of this Agreement, to the extent permitted by law, upon thirty (30) days' notice to Executive in the event of Executive's Inability to Perform. For this purpose, the term "Inability to Perform" means and shall be deemed to have occurred if Executive has been determined under the Company's long term disability plan to be eligible for long-term disability benefits or, in the event the Company does not maintain such a plan or in the absence of Executive's participation in or application for benefits under such a plan, such term shall mean the inability of Executive, despite any reasonable accommodation required by law, due to bodily injury or disease or any other physical or mental incapacity, to perform the services required hereunder for a period of ninety (90) consecutive days; or

(b) This Agreement shall be deemed terminated immediately upon the death of Executive.

7.4 Termination by Executive for Good Reason. Executive may terminate his employment and this Agreement at any time for Good Reason (as defined below). A termination of employment and this Agreement by Executive for Good Reason shall entitle Executive to payments and other benefits as specified in Section 8.3, unless such termination occurs during the Protection Period in which case the payments and benefits in Section 8.4 shall apply. For purposes of this Agreement, the term "Good Reason" means, subject to the notice and cure provisions herein, any of the following actions if taken without Executive's prior written consent: (a) the assignment to the Executive of any duties materially inconsistent with the position in the Corporation that Executive held immediately prior to the assignment; (b) a Change of Control resulting in a significant adverse alteration in the status or conditions of Executive's participation with the Corporation or other nature of Executive's responsibilities from those in effect prior to such Change of Control, including any significant alteration in Executive's responsibilities immediately prior to such Change in Control; (c) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive prior to such failure; or (d) any other action or inaction that constitutes a material breach by the Company of this Agreement. To exercise the option to terminate employment for Good Reason, Executive must provide written notice to the Company of Executive's belief that Good Reason exists within sixty (60) days of the initial existence of the Good Reason condition, and that notice shall describe in reasonable detail the condition(s) believed to constitute Good Reason. The Company then shall have thirty (30) days to remedy the Good Reason condition(s). If not remedied within that 30-day period or if the Company notifies Executive that it does not intend to cure such condition(s) before the end of that 30-day period, Executive may submit a notice of termination to the Company; provided, however, that the notice of termination invoking Executive's option to terminate employment for Good Reason must be given no later than sixty (60) days after the date the Good Reason condition first arose; otherwise, Executive shall be deemed to have accepted the condition(s), or the Company's correction of such condition(s), that may have given rise to the existence of Good Reason.

7.5 Termination by Executive Without Good Reason. Executive may also terminate his employment and this Agreement without Good Reason by providing at least ninety (90) days' written notice of such termination to the Company. In the event of a termination pursuant to this Section 7.5, Executive shall be entitled to payments and other benefits as specified in Section 8.1 below. At the Company's option, the Company may accelerate the date of Executive's termination of employment by paying to Executive the Base Salary and value of the benefits that Executive would have received during the period by which the date of termination is so accelerated and such acceleration shall not change the characterization of the termination by Executive as a termination without Good Reason.

7.6 Return of Confidential Information and Company Property. Upon termination of Executive's employment for any reason, Executive shall immediately return all Confidential Information and other Company property to the Company.

8. Effect of Termination.

8.1 Termination by the Company for Cause or Termination by Executive Without Good Reason

In the event Executive's employment and this Agreement are terminated pursuant to Sections 7.1 or 7.5 above:

(a) The Company shall pay to Executive, or his representatives, on the date of termination of employment only that portion of the Base Salary and benefits provided in Section 4(a) that has been accrued through the date of termination, any accrued but unpaid vacation pay provided in Section 4(a), any accrued benefits provided in Section 5, and any expense reimbursements due and owing to Executive as of the date of termination; and

(b) Executive shall not be entitled to: (i) any other salary or compensation; (ii) any bonus pursuant to Section 4(b); (iii) any equity consideration pursuant to Section 4(c); nor (iv) any benefits pursuant to Section 5; and

(c) Executive shall return the laptop computer and cellular telephone provided in Section 5 within five (5) business days of the date of termination.

8.2 Termination by the Company Due to Executive's Inability to Perform or Death

In the event Executive's employment and this Agreement are terminated pursuant to Section 7.3 above, the Company shall pay to Executive, or his representatives, all of the following:

(a) The payments, if any, referred to in Section 8.1(a) above as of the date of termination; and

(b) Subject to compliance with Section 409A of the Code, an amount equal to the greater of (i) one hundred percent (100%) of Executive's target bonus (if any) for the year in which the date of termination occurs, or (ii) a bonus for such year as may be determined by the Committee in its sole discretion. This amount shall be paid in the form of a lump sum, less applicable statutory deductions and withholdings, as soon as practicable after the date of termination, but no later than March 15 of the year immediately following the year in which the date of termination occurs; and

(c) For a termination due to Inability to Perform only, then the Company shall pay Executive a severance equal to six (6) months of Executive's Base Salary at the time of termination. This severance amount shall be paid to Executive in equal regular installments over the six (6) month period pursuant to the Company's regular payroll periods, less applicable statutory deductions and tax withholdings. The first installment shall be paid to Executive on the first payroll period after the date of termination; and

(d) Should Executive or his representatives timely elect to continue coverage under a group health insurance plan sponsored by the Company or one of its affiliates and timely make the premium payments, reimburse Executive on a monthly basis for the cost of continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") or other applicable law for Executive and any eligible dependents until the earlier of (i) the date Executive is no longer entitled to continuation coverage under COBRA or (ii) for twelve (12) months after the date of termination.

8.3 Termination by the Company Without Cause and Without a Change in Control or by Executive for Good Reason Without a Change in Control. In the event Executive's employment is terminated pursuant to Sections 7.2 or 7.4 above at any time in which there has not been a qualifying Change in Control termination, the Company shall pay Executive on the date of termination the payments referred to in Section 8.1(a) above, Executive shall also receive all of the following:

(a) A severance package equal to the lesser of (i) six (6) months of Executive's Base Salary at the time of termination and (ii) the Base Salary remaining under the Term of this Agreement. This severance amount shall be paid to Executive in equal regular installments over the term of the severance period pursuant to the Company's regular payroll periods, less applicable statutory deductions and tax withholdings. The first installment shall be paid to Executive on the first payroll period after the date of termination; and

(b) Subject to compliance with Section 409A of the Code, an amount equal to the greater of (i) (A) if the date of termination occurs between January 1 and June 30, then twenty-five percent (25%) of Executive's target bonus (if any) for the year in which the date of termination occurs or (B) if the date of termination occurs between July 1 and December 31, then fifty percent (50%) of Executive's target bonus (if any) for the year in which the date of termination occurs; and (ii) a bonus for such year as may be determined by the Committee in its sole discretion. This amount shall be paid in the form of a lump sum, less applicable statutory deductions and withholdings, as soon as practicable after the date of termination, but no later than March 15 of the year immediately following the year in which the date of termination occurs;

(c) Should Executive or his representatives timely elect to continue coverage under a group health insurance plan sponsored by the Company or one of its affiliates and timely make the premium payments, reimburse Executive on a monthly basis for the cost of continued coverage under the COBRA for Executive and any eligible dependents until the earlier of (i) the date Executive is no longer entitled to continuation coverage under COBRA or (ii) for twelve (12) months after the date of termination; and

Unless otherwise provided in the equity award agreement, all stock options and other stock incentive awards held by Executive will become fully vested and immediately exercisable and all restrictions on any restricted stock held by Executive will be removed; provided, however, Executive shall not be released from the black-out periods for the next financial reporting quarter following the date of termination or Securities Exchange Act of 1934, as amended (the "Exchange Act") , trading obligations typically required for an executive in this position .

8.4 Termination by the Company Without Cause After a Change in Control or by Executive for Good Reason After a Change in Control

In the event Executive's employment is terminated pursuant to Sections 7.2 or 7.4 above during the Protection Period, the Company shall pay Executive on the date of termination the payments referred to in Section 7.l (a) above, Executive shall also receive all of the following:

(a) Subject to compliance with Section 409A of the Code, a severance package equal to one year of Executive's Base Salary immediately prior to the Change in Control. This severance amount shall be paid to Executive in equal regular installments over a 12-month period pursuant to the Company's regular payroll periods, less applicable statutory deductions and tax withholdings. The first installment shall be paid to Executive on the first payroll period after the date of te1mination and after the effective date of the Release ; and

(b) Subject to compliance with Section 409A of the Code, an amount equal to the greater of (i) one hundred percent (100%) of Executive's target bonus (if any) for the year in which the date of termination occurs or (ii) a bonus for such year as may be determined by the Committee in its sole discretion. This amount shall be paid in the form of a lump sum, less applicable statutory deductions and withholdings, as soon as practicable after the date of termination, but no later than March 15 of the year immediately following the year in which the date of termination occurs; and

(c) A one-time cash payment equivalent to one year's salary, less applicable statutory deductions and tax withholdings, to be paid within thirty (30) days of the date of termination; and

(d) Should Executive or his representatives timely elect to continue coverage under a group health insurance plan sponsored by the Company or one of its affiliates and timely make the premium payments, reimburse Executive on a monthly basis for the cost of continued coverage under the COBRA for Executive and any eligible dependents until the earlier of (i) the date Executive is no longer entitled to continuation coverage under COBRA or (ii) for twelve (12) months after the date of termination; and

(e) All stock options and other incentive awards held by Executive will become fully vested and immediately exercisable and all restrictions on any restricted stock held by Executive will be removed; provided, however, Executive shall not be released from the black-out periods for the next financial quarter following the date of termination or any restrictions imposed under the Securities act of 1933, as amended, or Securities Exchange Act of 1934, as amended, trading obligations typically required for an executive in this position.

9. Non-Competition and Confidentiality Covenants. Executive and Company are party to that certain Non-Competition and Non-Solicitation Agreement, dated of even date herewith (the "Non-Competition Agreement"), attached hereto as Exhibit A, which is incorporated herein by reference. The Non-Competition Agreement contains, among other things, covenants of Executive respecting non-competition, non-solicitation and non-disclosure. Any breach of the Non-competition Agreement that is not cured as permitted therein shall be deemed a breach of this Section 9. The Non-Competition Agreement shall survive the termination of this Agreement pursuant to its terms.

10. Notices. For purposes of this Agreement, notices and all other communications provided for herein will be in writing and will be deemed to have been given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:
Marc S. Schessel
c/o SCWorx Corp.
590 Madison Avenue, 21st Floor
New York, New York 10022
Phone: (408) 550-5767

If to the Company:
SCWorx Corp.
590 Madison Avenue, 21st Floor
New York, New York 10022
Attention: Paul K. Danner, III
Phone: (212) 521-4268
Fax: (212) 521-4099

with copies to:

The Nossiff Law Firm, LLP
300 Brickstone Sq., Suite 201
Andover, MA 01810
Attention: John G. Nossiff, Esq.
Phone: (978) 409-2648
Email: Jnossiff@nossiff-law.com

or to such other address as either party hereto may have furnished to the other party in writing in accordance herewith, except that notices of change of address will be effective only upon receipt.

11. Governing Law. The validity, interpretation, and performance of this Agreement will be governed by the laws of the State of Delaware, without reference to the choice of law principles or rules thereof, except to the extent that federal law will be deemed to apply.

12. Modification. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by the Company and the Executive. No waiver by any party hereto at any time of any breach by another party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of dissimilar provisions or conditions at the same or any prior subsequent time. No agreements or representation, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

13. Validity. The invalidity or unenforceability of any provisions of this Agreement will not affect the validity or enforceability of any other provisions of this Agreement which will remain in full force and effect.

14. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same agreement.

15. Assignment. This Agreement is personal in nature and Executive may not, without consent of the Company, assign or transfer this Agreement or any rights or obligations hereunder.

16. Document Review. The Company and the Executive hereby acknowledge and agree that each (i) has read this Agreement in its entirety prior to executing it, (ii) understands the provisions and effects of this Agreement, (iii) has consulted with such attorneys, accountants and financial and other advisors as it or he has deemed appropriate in connection with their respective execution of this Agreement, and (iv) has executed this Agreement voluntarily and knowingly.

17. Entire Agreement This Agreement (including Exhibit A) together with any understandings or modifications thereof as agreed to in writing by the parties, will constitute the entire agreement between the parties hereto regarding the subject matter of Executive's employment with the Company.

18. Representations and Covenants of Executive. Executive represents and warrants to the Company that: (a) he has full power and authority to enter into this Agreement, (b) the execution and delivery of this Agreement and the performance of his duties hereunder shall not result in a breach of, or constitute a default under, any agreement or obligation to which he may be bound or subject, (c) this Agreement represents a valid, legally binding obligation on him and is enforceable against him in accordance with its terms except as the enforceability of this Agreement may be subject to or limited by general principles of equity and by bankruptcy or other similar laws relating to or affecting the rights of creditors generally, and (d) the Executive has resigned from all positions as an employee, officer, director or executive of prior employers.

19. Representations and Covenants of the Company. The Company represents and warrants to the Executive that: (a) it has full power and authority to enter into this Agreement, (b) the execution and delivery of this Agreement and the performance of its duties hereunder shall not result in a breach of, or constitute a default under, any agreement or obligation to which he may be bound or subject, and (c) this Agreement represents a valid, legally binding obligation on the Company and is enforceable against him in accordance with its terms except as the enforceability of this Agreement may be subject to or limited by general principles of equity and by bankruptcy or other similar laws relating to or affecting the rights of creditors generally.

[*Signature Page to Executive Employment Agreement Follows*]

[*Signature Page to Executive Employment Agreement*]

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed and delivered as of the date first set forth above.

SCWorx Corp

By: /s/ John Price
John Price
Title: CFO

/s/ Marc S. Schessel
Marc S. Schessel

Exhibit A

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS NON-COMPETITION AND NON-SOLICITATION AGREEMENT (the "Agreement"), dated as of February 1, 2019 (the "Effective Date") is entered into by and between SCWorx Corp. , a Delaware corporation ("Company") John Price, an individual and resident of the State of New York (the "Executive").

NOW, THEREFORE, in consideration of the employment or continued employment of the Executive by the Company, and the continued receipt and access to confidential, proprietary, and trade secret information associated with the Executive's position with the Company, the Executive and the Company agree as follows:

1 . Confidentiality. Executive understands and agrees that in the course of providing services to the Company, Executive may acquire confidential and/or proprietary information concerning the Company's operations, its future plans and its methods of doing business. Executive understands and agrees it would be extremely damaging to the Company if Executive disclosed such information to a competitor or made such information available to any other person. Executive understands and agrees that such information is divulged to Executive in strict confidence and Executive understands and agrees that Executive shall not use such information other than in connection with the Business and will keep such information secret and confidential unless disclosure is required by court order or otherwise by compulsion of law. In view of the nature of Executive's employment with the Company and the information that Executive has received during the course of Executive's employment, Executive also agrees that the Company would be irreparably harmed by any violation, or threatened violation of the agreements in this paragraph and that, therefor, the Company shall be entitled to an injunction prohibiting Executive from any violation or threatened violation of such agreements.

2 . Non-Competition and Non-Solicitation. The Executive acknowledges and agrees that the nature of the Company's confidential, proprietary, and trade secret information to which the Executive has, and will continue to have, access to derives value from the fact that it is not generally known and used by others in the highly competitive industry in which the Company competes. The Executive further acknowledges and agrees that, even in complete good faith, it would be impossible for the Executive to work in a similar capacity for a competitor of the Company without drawing upon and utilizing information gained during employment with the Company. Accordingly, at all times during the Executive's employment with the Company and for a period of one (1) year after termination, for any reason, of such employment, the Executive will not, directly or indirectly:

(a) Engage in any business or enterprise (whether as owner, partner, officer, director, employee, consultant, investor, lender or otherwise, except as the holder of not more than one percent (1%) of the outstanding capital stock of a company) that directly or indirectly competes with the Company's business or the business of any of its subsidiaries anywhere in the United States; or

(b) Either alone or in association with others (i) solicit, or facilitate any organization with which the Executive is associated in soliciting, any employee of the Company or any of its subsidiaries to leave the employ of the Company or any of its subsidiaries; (ii) solicit for employment, hire or engage as an independent contractor, or facilitate any organization with which the Executive is associated in soliciting for employment, hire or engagement as an independent contractor, any person who was employed by the Company or any of its subsidiaries at any time during the term of the Executive's employment with the Seller or the Company or any of their respective subsidiaries (provided, that this clause (ii) shall not apply to any individual whose employment with the Seller, the Company or any of its subsidiaries has been terminated for a period of one year or longer); or (iii) solicit business from or perform services for any customer, supplier, licensee or business relation of the Seller or the Company or any of their respective subsidiaries, induce or attempt to induce, any such entity to cease doing business with the Company or any of its subsidiaries; or in any way interfere with the relationship between any such entity and the Company or any of its subsidiaries.

3 . Return of Property. Executive understands and agrees that all business information, files, research, records, memoranda, books, lists and other documents and tangible materials, including computer disks, and other hardware and software that he receives during his employment, whether confidential or not, are the property of the Company, and that, upon the termination of his services, for whatever reason, he will promptly deliver to the Company all such materials, including copies thereof, in his possession or under his control. Any analytical templates, books, presentations, reference materials, computer disks and other similar materials already rightfully owned by the Executive prior to the Effective Date shall remain the property of the Executive and any copies thereof obtained by or provided to the Company shall be returned or destroyed in a manner similar acceptable to the Executive.

4 . Not Employment Contract. The Executive acknowledges that this Non-Competition and Non-Solicitation Agreement does not constitute a contract of employment and, except as set forth in Executive Employment Agreement (to which this Agreement is ancillary), does not guarantee that the Company or any of its subsidiaries will continue his employment for any period of time or otherwise change the at-will nature of his employment.

5 . Interpretation. If any restriction set forth in Section 2 is found by any court of competent jurisdiction to be invalid, illegal, or unenforceable, it shall be modified to the minimum extent necessary to render the modified restriction valid, legal and enforceable. The parties intend that the non-competition and non-solicitation provisions contained in this Agreement shall be deemed to be a series of separate covenants, one for each and every county of each and every state of the United States of America where this provision is intended to be effective.

6. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

7 . Waiver of Rights. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

8 . Equitable Remedies. The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company and its subsidiaries and are considered by the Executive to be reasonable for such purpose. The Executive agrees that any breach of this Agreement is likely to cause the Company substantial and irrevocable damage and therefor, in the event of any such breach, the Executive agrees that the Company, in addition to such other remedies that may be available, shall be entitled to specific performance and other injunctive relief.

9 . Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Any action, suit, or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the State of Delaware (or, if appropriate, a federal court located within Delaware), and the Company and the Executive each consent to the jurisdiction of such a court.

7 . Term. This Agreement shall be effective on the Effective Date. This Agreement shall expire on [Expiry of employment agreement], provided the obligations of the Executive under Sections 2 shall survive for a period of one (1) year after expiration or termination. Notwithstanding the foregoing the obligations of the Executive under Sections 1 shall survive for two (2) years and Section 3 shall survive indefinitely.

8. Certain Exclusions. The obligations stipulated in Section 1 of this Agreement shall not apply to confidential information which: (i) is, prior to disclosure, in the lawful possession of, or already known to, the Executive; (ii) has come into the public domain through no fault of the Executive; (iii) has been lawfully received from a third party without restrictions or breach of this Agreement; (iv) is independently developed by the Executive without any use of the confidential information of the Company; or (v) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body, subject to the Executive giving reasonable prior notice in writing to the Company to allow it to seek protective or other court orders.

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS AGREEMENT, HAS SOUGHT INDEPENDENT COUNSEL TO ADVISE HIM AS TO THE NATURE AND EXTENT OF HIS OBLIGATIONS HEREUNDER AND UNDERSTANDS AND AGREES TO ALL OF THE PROVISIONS IN THIS AGREEMENT.

[*Signature Page to Non-Competition And Non-Solicitation Agreement Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

COMPANY:

SCWorx Corp.

By: /s/ John Price
Name: John Price
Title: CFO

EXECUTIVE:

/s/ Marc S. Schessel
Marc S. Schessel

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Subsidiary	State of Organization or Incorporation
Go Fight Net, Inc.	New York
SCW FL Corp.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-221295) of SCWorx Corp. (f/k/a Alliance MMA, Inc.) of our report dated April 1, 2019, relating to the consolidated financial statements which appears in this Form 10-K of SCWorx Corp. for the year ended December 31, 2018.

/s/ Friedman LLP

Marlton, New Jersey
April 1, 2019

Exhibit 31.1

Certification of the Chief Executive Officer
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, Marc S. Schessel, certify that:

1. I have reviewed this annual report on Form 10-K of SCWorx Corp. (f/k/a Alliance MMA, Inc.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods 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 periods 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 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.

April 1, 2019

/s/ Marc S. Schessel
Marc S. Schessel
Chief Executive Officer

Exhibit 31.2

Certification of the Chief Financial Officer
Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934

I, John Price, certify that:

1. I have reviewed this annual report on Form 10-K of SCWorx Corp. (f/k/a Alliance MMA, Inc.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods 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 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.

April 1, 2019

/s/ John Price
John Price
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
RULE 13a-14(b) OF THE SECURITIES EXCHANGE ACT OF 1934
AND 18 U.S.C. SECTION 1350

In connection with the Annual Report of SCWorx Corp. (f/k/a Alliance MMA, Inc.), a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, Marc S. Schessel, Chief Executive Officer, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marc S. Schessel
Marc S. Schessel
Chief Executive Officer
April 1, 2019

CERTIFICATION PURSUANT TO
RULE 13a-14(b) OF THE SECURITIES EXCHANGE ACT OF 1934
AND 18 U.S.C. SECTION 1350

In connection with the Annual Report of SCWorx Corp. (f/k/a Alliance MMA, Inc.), a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, John Price, Chief Financial Officer of the Company, certify, pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Price
John Price
Chief Financial Officer
April 1, 2019