Operator: Please standby. Good day and welcome to the MeetMe Skout Acquisition Conference Call.

Today’s conference is being recorded.

At this time I’d like to turn the conference over to Todd Kehrli, MKR Group. Please go ahead.

Todd Kehrli: Thank you Operator and good morning everyone. Thank you for joining us today to discuss MeetMe’s acquisition of Skout.

On the call this morning are MeetMe’s Chief Executive Officer Geoff Cook and Chief Financial Officer David Clark.

Before we begin, I’d like to remind everyone that during this conference call management will make certain forward-looking statements which convey management’s expectations, beliefs, plans and objectives regarding future financial and operational performance.

Forward-looking statements are generally preceded by words such as believe, plan, intend, expect, anticipate, or similar expressions. Forward-looking statements are protected by the Safe Harbor contained in the Private Securities Litigation Reform Act of 1995. These forward-looking
statements are subject to wide range of risks and uncertainties that could cause actual results to differ in material respects.

Actual results could differ materially from those described in this conference call and presentation.

Information on various factors that could affect MeetMe are detailed in the reports filed with the Securities and Exchange Commission. MeetMe is making these statements as of June 28, 2016 and assumes no obligation to publicly update or revise any of the forward-looking information in this conference call.

A replay of this conference call will be available in the Investor Relations Section of the MeetMe corporate site at www.meetmecorp.com.

With that said I’d now like to turn the call over to our CEO Geoff Cook.

Geoff Cook: Thanks Todd and thanks to everyone for joining us this morning.

I’m thrilled to announce our agreement to acquire Skout. The combination dramatically expands our scale and furthers our mission of creating the largest global service for meeting and chatting with new people.

We believe MeetMe’s future depends on facilitating the highest quality connections for our users. With more users in a given region, our connections can be more local. With more users chatting, our connections can be more real-time. And with more users providing data, our connections can be more relevant.
We believe Skout enables us to deliver higher quality connections. Combined, the companies connect more than 8 million monthly users around the world while signing up more than 100,000 new users every single day.

The acquisition of Skout builds on the tremendous progress we’ve made to date. We facilitated high quality connections with a recommendation Engine, Chat, and Discuss features and experienced strong growth. MeetMe’s May mobile DAU is up 8% versus the Q1 average to 1.24 million, while May mobile MAU is up 14% versus the Q1 average, exceeding 5.0 million for the first time in a calendar month.

The strong progress experienced in recent months builds on an excellent 2015. You will recall in 2015 we saw adjusted EBITDA increase 303% to $20.2 million and revenue increase 27% to $56.9 million. Combined with Skout, we expect even higher adjusted EBITDA and higher revenue. In combination with Skout, we expect to exceed $100 million in revenue in 2018 with an adjusted EBITDA margin approaching 45%.

I want to underscore this. We believe Skout gives us a clear line of sight to 100 plus million in revenue while expanding our already strong margins.

Skout is perfectly aligned with our vision of building the largest global service for meeting and chatting with new people. I’ve known and tracked the company for more than eight years. I have the utmost respect for their founders, Christian Wiklund and Niklas Lindstrom and for the talented team they’ve assembled.

Founded in 2007 and backed by Andreessen Horowitz, Skout is a true pioneer in mobile social discovery. They have made tremendous progress over the years, optimizing for many of the same metrics that have proven so critical for MeetMe’s own growth. In fact, both services exceed 25 chats per DAU, which is the highest figure I know of for meet-new-people apps.
Skout currently has 900,000 mobile DAU and 3.5 million mobile MAU. Its users send 28 million chats a day and 42,000 new people join it every day in 23 languages in over 100 countries around the world.

In combination we expect MeetMe and Skout will together have 8.5 million mobile MAU an increase of 69% over MeetMe’s May MAU; 2.1 million mobile DAU, an increase of 73% over MeetMe’s June DAU measured through June 22nd, 57.2 million chats per day, an increase of 96%, and 107,000 new mobile users per day, an increase of 65%, both compared to MeetMe’s June metrics measured through June 22nd.

We share not only a similar engagement model, but also a similar revenue model. Both MeetMe and Skout monetize primarily via a mix of mobile banner and native advertising. In Q1 2016 advertising accounted for more than 90% of mobile revenue for each company. And mobile accounted for nearly 90% of each company’s total revenue.

Based on our proven experience driving profitability, and our understanding of their engagement and revenue model, we expect Skout to do at least $7.5 million in adjusted EBITDA in the first 12 months following our expected October close. We expect we’ll be able to drive results further by exploiting identified synergies.

Among these, Skout has monetized its largely international audience for multiple years, but MeetMe does not show ads in languages other than English. We expect to accelerate MeetMe’s international monetization efforts based on Skout’s learnings. We expect to begin showing ads internationally in Q3 and to ramp up those ads in Q4 and Q1 as results permit.

We expect as well to create value through cross-promotion. Studies show users of meeting and dating services tend to use more than one application. Shortly after the close, we intend to begin
cross-promoting each app to the other’s users. We have found negligible overlap among monthly active users of the two services, and so believe cross-promotion will be additive and effective.

In the longer term, we will investigate sharing user bases more directly, so that users available to chat in MeetMe may be able to connect with Skout users and vice versa.

By increasing the density of users in a geographic area, we believe we will increase retention and engagement. Furthermore by standardizing the backend for certain products, like Recommendation Engine, Chat and Feed we believe we will lower technology costs over time.

Skout users complement MeetMe users in ways that I believe will add value to our community. Skout users skew a little older, with a median age of 29 compared to MeetMe’s median age of 24. Similarly the most popular age segment on Skout is 25 to 34, whereas on MeetMe it is 18 to 24. The geographic mix is also highly complementary: while the largest country for both Skout and MeetMe is the United States, on Skout, the U.S. represents just under 20% of DAU whereas on MeetMe it represents more than 50%.

Six of the top ten countries by user base for both Skout and MeetMe overlap. MeetMe’s top 10 countries by DAU are in order, US, Turkey, Brazil, the UK, India, Indonesia, Germany, the Philippines, Canada and Mexico. Skout skews more toward Asia and more internationally with the top 10 countries of the U.S., Indonesia, Brazil, the Philippines, Thailand, Taiwan, Mexico, the UK, China and Hong Kong.

I am thrilled to have the opportunity to add Skout to the MeetMe portfolio, and I am even more thrilled to work with their talented team to build the highest quality products for meeting new people.
Skout and MeetMe each have an engaged, vibrant community, similar KPIs, and a similar revenue model. But most of all we share the same vision: creating the largest global service for meeting and chatting with new people.

Thanks again for taking the time to join us today. And now I’d like to hand it over to David.

Operator: David your line is open.

**David Clark:** Thanks Geoff. Thanks everyone again for joining us today.

The terms of the transactions are as follows: The total consideration is comprised of $28.5 million in cash and 5.37 million shares of MeetMe common stock, implying an enterprise value of $54.6 million based on MeetMe’s closing price on June 24, 2016.

We expect the source of the cash consideration will be MeetMe’s cash on hand, cash from operations, and potentially other sources of financing available of the company. We expect the acquisition to be accretive to earnings per share and to generate additional free cash flow for MeetMe in the first 12 months following the close of the deal.

We expect that Skout will remain a separate brand and standalone application following the closing of the acquisition, its headquarters will remain in San Francisco, California, and we extended offers of employment to approximately 30 of their employees.

Likewise, Skout’s founders, Christian Wiklund and Niklas Lindstrom, have agreed to assist the transition for one year following the closing.
The deal was unanimously approved by the Boards of Directors of both companies, and we expect it to close in October 2016. Based on that target closing date, we would expect MeetMe's 2016 financial results to be:

- Revenue of between $70.5 and $73.5 million, which would include three months of revenue contribution from Skout, and
- Adjusted EBITDA between $26.0 and $29.0 million, which would include three months of adjusted EBITDA contribution from Skout.

MeetMe believes that Skout will contribute incremental adjusted EBITDA of $7.5 million in the first 12 months following our expected October close. This combined guidance takes into account our expectation that MeetMe’s standalone performance will continue to perform in line with our previously provided revenue and adjusted EBITDA guidance for 2016.

In conclusion, we believe this combination will provide us with significantly greater scale for monetization and increased profitability for the combined company and for our shareholders.

And with that, Operator, you can open the call for questions.

Operator: Certainly. If you would like to ask a question please signal by pressing star 1 on your telephone keypad. If you are using a speakerphone please make sure your mute function is turned off to allow your signal to reach our equipment. Again press star 1 to ask a question. We'll pause for just a moment.

We’ll take our first question from Darren Aftahi with Roth.

Darren Aftahi: Hey guys. Thanks for taking my questions and congratulations. Before I ask the two I had Geoff you reeled off a lot of countries and numbers. You had said something in terms of
geographic presence. I don't know whether it's the Meet or Skout and something to the tune of less than 20%. I just wonder if you could repeat that and clarify it.

Geoff Cook: Sure. So MeetMe's DAU by country is approximately 54% US DAU. Skout's is approximately 19% US DAU.

So both countries shared the number one country but the percentage of users who are international on Skout is closer to 80%.

Darren Aftahi: Got you. Okay, that's helpful. Thanks. Yes. So just two questions here, you know as you kind of derive the $7.5 million if 90% of the business is the advertising. I assume it's a very high margin on a gross basis like yours. Can you just help us walk through, you know, sort of assuming the 24ish million, you know, the Skout data in 2015? You know how you - what are the big costs for the business on a pro forma basis going forward? I assume G&A is very low. I'm trying to understand how you kind of arrive at that $7.5 million number.

And then secondarily, I guess, you know, beyond kind of what you've said, you know, what sort of attracted you to this deal in terms of best practices, in terms of how Meet can help the business strategically of Skout and vice versa? Thanks.

Geoff Cook: Sure. David you want me to take the first one?

David Clark: Yes. Why don't you?

Geoff Cook: Okay, so.

David Clark: Yes, you go ahead and then I'll jump in on the numbers.
Geoff Cook: Okay. So in terms of the $7.5 million, you know, I think we feel confident in that number in result of a reduction in force with respect to Skout that took place, you know, yesterday. And kind of gives us real comfort with respect to the $7.5 million number.

And I think if you look at LTM EBITDA on Skout you’re looking at $2.1 million. You have to remember that, you know, Skout is a private company optimized in ways for growth.

And what we saw as the financial opportunity was a very familiar engagement model, a very familiar revenue model and we felt it was under monetized in terms of what we could do from a profitability model.

We also see, you know, numerous synergies, which I outlined. I think the cross promotional one is probably the lowest hanging. But I’ve talked many times about the importance of driving density within given markets. And we really do see the opportunity to standardize and to allow the MeetMe user and the Skout user to connect with each other seamlessly.

And to the extent we can do that I think we can see, you know, synergies not baked into that $7.5 million number.

Darren Aftahi: Just one other to chime in. Is there anything in terms of non-English speaking international monetization that Skout could kind of bring to the table, or is this something where you kind of feel confident with your overall strategy, you know, until you close the transaction? And I’m just trying to understand this given that where most of your revenue kind of resides is English-speaking users.

Geoff Cook: Yes. So yes, I view as I’ve talked about, you know, the MeetMe App is available in 18 languages but only monetizes via advertising in one so 17 languages essentially don’t have any advertising. And we make all of our advertising revenue in English.
Skout is quite a bit different. And obviously MeetMe got to that point as a result of launching in 2005 and really only internationalizing beyond English in late 2012 and first full year being 2013. It was never a priority to monetize international. When we launched international in 2013, the priority was growing in different regions around the world to now, where we have, you know, 55% of our DAU is US and that number shrinks as 1 in every 2 new users joining is international.

Skout is very different, 4 out of 5 users are international. And they do have expertise in international monetization. Their Ad Team has been monetizing in international for multiple years.

We do expect that in combination with them and through their learnings we’re going to be able to accelerate our own monetization efforts on MeetMe with respect to international.

And so whereas I think originally we were thinking, you know, really ramping up that international monetization on MeetMe towards the end of the year and into next, in Q3 of this year we expect to begin monetizing and ramping up in Q3 and Q4 of this year.

So I do think it lends some acceleration of our plans for international monetization.

Darren Aftahi: Great. Thanks guys and congratulations.

Geoff Cook: Thank you.

Operator: We’ll take our next question from Ron Josey with JMP Securities.

Andrew Boone: Hi guys. This is Andrew Boone on for Ron. And thanks for taking my question.
One on kind of the backend in terms of Skout's technology and MeetMe's, how does Skout - do you guys benefit from any of Skout's backend technology? How are you guys thinking about just combining those entities?

And then on cash where are you guys comfortable now? I think historically it was around $10 million. Is that still about right? So any kind of guidance there, thanks.

Geoff Cook: Sure. So I'll leave the cash question to David. In terms of the technologies they're certainly very familiar to us. Our Tech Team here led by Jonah, our CTO, has of course taken a close look at the Skout technology stack. And, you know, we have a great deal of respect for the Skout stack.

Niklas has done - Lindstrom the cofounder of Skout has done a tremendous job building a very efficient operation with respect to the amount of traffic and users they handle and with respect to their costs. So they're not, you know, I think they've just done an extraordinary job with respect to that.

In terms of the technologies themselves, very familiar to us, Elasticsearch, PHP, Python, you know, Amazon, cloud. They're in the process of moving to cloud, as are we. On MeetMe every new feature like recommendation engine for example is launched on cloud. More and more we have been reducing our data center footprint in order to save on costs and move more and more into AWS.

And I think Skout has been on a very similar trajectory as that.

On the cash question I'll give it to David.
David Clark: Yes. So Andrew yes, we’re still in the same place. We - you know, $10 million would be the minimum we would operate the business under even the combined business. And our own projections given we’ve got another three months to go before closing suggests that we’ll have sufficient cash on the balance sheet to fund it along with a, you know, $10 or $15 million bank line.

I have received two agreement letters for bank lines. But obviously we don’t need to finalize our full financing plan for a couple months now.

Andrew Boone: Thank you guys.

Geoff Cook: Thank you.

Operator: We’ll take our next question from Jeff Houston with Northland.

Jeff Houston: Hey Geoff and David. Thanks for taking my questions. So you mentioned opportunity to improve the profitability model of Skout. Is that mostly on the user acquisition side?

Geoff Cook: Yes. So I think there’s two things. One is there are overlapping positions. And so the reduction in force that took place yesterday is I think one way in which we see getting some cost savings in the deal. Obviously there’s duplicated positions and there’s cost savings to be realized.

And we expect that, you know, we will have realized those by the closing so it’s not something that, you know, we’re projecting. You know the reduction has already taken place.

In terms of the marketing side, our view is that Skout has actually been running marketing for longer than MeetMe at a larger scale, at least in an average larger scale than we have over the last two years. So traditionally of course MeetMe has spent very little on marketing. Over time
we’ve ramped that up as we’re seeing, you know, very good payback on the spends we’re making especially in the United States.

So we think Skout is, you know, efficient at marketing. You know it’s something we’re going to be looking at very carefully to make sure that of course remains so just as we do for MeetMe. But we think their marketing operation is a good one.

Jeff Houston: Got it. Then switching to the international mix, I think you said it’s, you know, about 50% of DAUs is international for Meet and 80% for Skout.

How does that - what is the mix on the revenue side?

Geoff Cook: You know I think we’ll be providing more of those details as time goes on. That’s something obviously that we will report on. And we’re not ready to report on that at this time. I’d say as you would expect of course the US user is by far the higher RPU user. So, you know, but we’re not ready to talk specifics with respect to that.

Jeff Houston: Okay. Can you share what Skout’s growth rate was domestic versus international and company wise?

Geoff Cook: ((Inaudible)).

(Crosstalk)

Jeff Houston: Are you...?

Geoff Cook: I could say that their DAU growth was up 12% between 2015 and 2014. Anything more will be included in future filings.
Jeff Houston: Okay. And then last question for me is you mentioned, you know, over time integrating the recommendation engines. And is that like a several year process or how are you thinking about that?

Geoff Cook: Yes. I mean that’s a good question. And I think that’s, you know, we have a - you know the Skout team has been, you know, very open to collaborating ahead of the closing. Our teams will be engaged and working to solve the technical hurdles with respect to making recommendations seamlessly across both sets of users.

We see it as an iterative process so you could imagine for example well within the Skout App and they have a feature called Meet, which is very similar to our browse, our default screen. You could imagine that the results powering each app’s - the search results powering each app screen are essentially based on the same algorithms on the backend.

And so we think over time iteratively we will eventually get to this spot where users are able to chat seamlessly across networks. It’s - it would be premature for me to give a timeline at this point.

Jeff Houston: Got it, all right. Thank you.

Operator: We’ll take our next question from Blake Harper with Loop Capital.

Blake Harper: Good morning Geoff, David. I wanted to ask you David about the updated guidance that you gave. Just wanted to confirm, so 100% of that delta coming from Skout or (inaudible)) that from MeetMe and secondly, you said it would be accretive over the next 12 months which is 1Q, understand that that would also be the case in the first quarter or immediately after the deal closed would also be accretive from the beginning?
David Clark: Well it'll be - so I said in the script that the combined guidance was based on MeetMe standalone performance being the same as previously guided.

So the incremental dollars are all from Skout. From an accretive standpoint it is going to be profitable right out of the gate at the close. It's a little hard to say accretive because you only have three months of revenue from Skout in those numbers because we have a sub-period.

But it’s going to be profitable right from the get go. We - it’s accretive for a full year matter.

Blake Harper: Okay, thanks. And then maybe Geoff can you just comment maybe about the Chairman role or what kind of expectation you have for the Board going forward?

Geoff Cook: Sure. So, you know, John, our Chairman, had been with us since 2007. And has contributed, you know, a great deal to the company. It was obviously his original vision to put together myYearbook, the company I founded. You know I think this Skout deal is very much aligned with kind of the building of the social discovery leader.

And he - in terms of the Chairman role, you know, we plan to fill this at an upcoming Board Meeting. We have not provided any more color than that.

Operator: And once again that is star 1 to ask a question.

We’ll take our next question from Bill Sutherland with Emerging Growth Equities.

Bill Sutherland: Hey thanks. And most of mine have been asked but just a couple here. Geoff was there a process here or did you guys just, you know, work together on this?
Geoff Cook: We worked together. So I’ve known - so there was not a process. I’ve known Skout originally from, you know, probably in 2007, 2008 shortly after their founding, have known Christian through various conferences we’ve attended.

You know we’ve been friendly. We would bounce ideas off each other, compare metrics, compare notes, and I think the deal really came together in recent months as it became clear, you know, how much more we could do together than apart. Yes, so there was no process.

Bill Sutherland: Okay. And do you think as you look ahead, I know this is a lot on your plate right now but should we expect additional strategic M&A like this in the future or is this kind of get your platform where you need it?

Geoff Cook: You know I think, you know, obviously we’re focusing on Skout right now. You know we realize how important getting this right and getting the integration done correctly and delivering on the results we’ve stated and ideally exceeding those is.

And that is where our focus is right now. You know we do believe there will be, and I’ve said before there will be continued consolidation in our industry. And we will evaluate, you know, opportunities as we see them and as they align with our business goals. And but that’s, you know, that’s always true.

Bill Sutherland: Okay. Then just one quick one, roughly what was the size of the staff reduction at Skout that’s been taken?

Geoff Cook: You know I don’t want to speak for Skout. I believe it was - there was an international operation. I think it was roughly a half a dozen international and roughly a dozen in the United States.
Bill Sutherland: Okay. Thanks so much and congrats. Thanks.

Geoff Cook: Thanks.

Operator: We’ll take our next question from Michael Graham with Canaccord.

Michael Graham: Hi. Thanks and congrats on the deal. I just wanted to ask on the ad model, you know, I’m looking at the presentation and you basically have the situation where MeetMe has a much bigger need of advertising component than Skout does. And, you know, you mentioned obviously that Skout’s better at monetizing internationally.

And I’m just wondering what’s the difference in terms of yields for you on native versus, you know, mobile banner? And is there a chance to kind of cross-pollinate your expertise in that area with their expertise internationally?

Geoff Cook: Yes. I believe there is. So I think that’s a good question. And, you know, I think what you’re seeing there is that native is a newer unit to Skout than it is to MeetMe. We almost certainly do optimize native and monetize native at higher rates than Skout.

And you can see that in the revenue composition. I wouldn’t - my expectation would be that that native share on Skout will rise as time goes on.

Michael Graham: Okay. That sounds great. And then the only other question I had was have you given any thought in the future to consolidating the brands into one? I mean I can see benefits to both ways and, you know, you talked about a roadmap for integrating the user experiences over time. The time is a little uncertain.
But have you given any thought as to the, you know, pros and cons of, you know, just kind of over time getting this into one branded experience that’s really consolidated?

Geoff Cook: Yes. And I think we’ve given that, you know, a fair amount of thought. And I think we do think the better approach is a standalone application. You know we compete in an industry where, you know, users do use multiple Apps for meeting purposes. It’s very familiar for them to do so.

You know, probably our number one competitor of course is The Match Group which has, you know, 30 some odd brands. And, you know, I think the reality of how you would imagine doing a product integration that led to the shutting down of one or the other application is you would churn a lot of users in the process of doing that by forcing them to get a new App whereas in a standalone case you could simply continue pushing updates.

So we - one of the things we like most about Skout is just how efficient they are on the technology side. We like their engagement metrics. You know like, you know, they have slightly higher chats per DAU than we do. And we’ve been optimizing this for some time.

And we, you know, so we like a lot of what they do. And we think it’s a great baseline to start from for future optimizations. We do expect to be able to roll out what we learn on our platform and what Skout has learned on their platform to the other as soon as possible.

Michael Graham: Okay, thank you Geoff.

Operator: And at this time we will turn the call back over to management for closing remarks.
Todd Kehrli: Thank you Operator and thank you everyone for joining us today. We look forward to updating you on our progress on our second quarter conference call, which will be on August 1st. This concludes today’s call.

Operator: Once again that does conclude today’s conference. Thank you for your participation. You may now disconnect.