

Second Quarter 2016

Regulation G – Non-GAAP Financial Measures

The Company uses financial measures which are not calculated and presented in accordance with U.S. generally accepted accounting principles (“GAAP”) in evaluating its financial and operational decision making and as a means to evaluate period-to period comparison. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company presents these non-GAAP financial measures because it believes them to be an important supplemental measure of performance that is commonly used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We refer you to the reconciliations below.

The Company defines Adjusted EBITDA as earnings (or loss) from continuing operations before interest expense, change in warrant liability, benefit or provision for income taxes, depreciation and amortization, non-cash stock-based compensation, non-recurring acquisition and restructuring expenses, loss on cumulative effect of foreign currency translation adjustment, gain on sale of asset, bad debt expense outside the normal range, and the goodwill impairment charges. The Company excludes stock-based compensation because it is non-cash in nature. The Company defines Non-GAAP Net Income as earnings (or loss) from continuing operations before income taxes, amortization of intangible assets, and non-cash stock-based compensation.

Non-GAAP financial measures should not be considered as an alternative to net income, operating income, cash flow from operating activities, as a measure of liquidity or any other financial measure. They may not be indicative of the historical operating results of the Company nor is it intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as a substitute for performance measures calculated in accordance with GAAP.

MEETME, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET INCOME ALLOCABLE TO COMMON STOCKHOLDERS TO ADJUSTED EBITDA
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income allocable to Common Stockholders	\$ 29,618,389	\$ 1,209,931	\$ 31,973,286	\$ 1,931,985
Interest expense	5,360	122,989	12,105	281,855
Depreciation and amortization	753,918	801,260	1,505,182	1,617,175
Stock-based compensation expense	915,572	733,051	1,643,352	1,348,316
Change in warrant liability	787,391	(56,408)	545,614	39,320
Benefit (provision) for income taxes	(27,219,764)	73,450	(27,125,446)	128,650
Acquisition and restructuring costs	1,160,349	-	1,160,349	-
(Gain) loss on cumulative effect of foreign currency translation adjustment	(18,201)	(11,614)	(34,553)	783,090
Gain on sale of asset	-	-	-	(163,333)
Adjusted EBITDA	<u>\$ 6,003,014</u>	<u>\$ 2,872,659</u>	<u>\$ 9,679,889</u>	<u>\$ 5,967,058</u>
GAAP basic and diluted net income per common stockholders	<u>\$ 0.61</u>	<u>\$ 0.03</u>	<u>\$ 0.67</u>	<u>\$ 0.04</u>
GAAP diluted net income per common stockholders	<u>\$ 0.55</u>	<u>\$ 0.02</u>	<u>\$ 0.59</u>	<u>\$ 0.04</u>
Basic adjusted EBITDA per common stockholders	<u>\$ 0.12</u>	<u>\$ 0.06</u>	<u>\$ 0.20</u>	<u>\$ 0.13</u>
Diluted adjusted EBITDA per common stockholders	<u>\$ 0.11</u>	<u>\$ 0.06</u>	<u>\$ 0.18</u>	<u>\$ 0.12</u>
Weighted average number of shares outstanding, Basic	<u>48,218,184</u>	<u>45,191,563</u>	<u>47,838,466</u>	<u>45,051,576</u>
Weighted average number of shares outstanding, Diluted	<u>54,061,306</u>	<u>49,022,622</u>	<u>53,863,966</u>	<u>48,625,068</u>

MEETME, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
GAAP Net Income	\$ 29,618,389	\$ 1,209,931	\$ 31,973,286	\$ 1,931,985
Stock-based compensation expense	915,572	733,051	1,643,352	1,348,316
Amortization of intangible assets	381,916	378,750	760,666	766,666
Benefit (provision) for income taxes	(27,219,764)	73,450	(27,125,446)	128,650
Acquisition and restructuring costs	1,160,349	-	1,160,349	-
Non-GAAP Net Income	<u>\$ 4,856,462</u>	<u>\$ 2,395,182</u>	<u>\$ 8,412,207</u>	<u>\$ 4,175,617</u>
GAAP basic and diluted net income per common stockholders	<u>\$ 0.61</u>	<u>\$ 0.03</u>	<u>\$ 0.67</u>	<u>\$ 0.04</u>
GAAP diluted net income per common stockholders	<u>\$ 0.55</u>	<u>\$ 0.02</u>	<u>\$ 0.59</u>	<u>\$ 0.04</u>
Basic non-GAAP net income per common stockholders	<u>\$ 0.10</u>	<u>\$ 0.05</u>	<u>\$ 0.18</u>	<u>\$ 0.09</u>
Diluted non-GAAP net income per common stockholders	<u>\$ 0.09</u>	<u>\$ 0.05</u>	<u>\$ 0.16</u>	<u>\$ 0.09</u>
Weighted average number of shares outstanding, Basic	<u>48,218,184</u>	<u>45,191,563</u>	<u>47,838,466</u>	<u>45,051,576</u>
Weighted average number of shares outstanding, Diluted	<u>54,061,306</u>	<u>49,022,622</u>	<u>53,863,966</u>	<u>48,625,068</u>