

First Quarter 2017

Regulation G – Non-GAAP Measures

The Company defines mobile traffic and engagement metrics (including MAU, DAU, chats per day, and new users per day) to include mobile app traffic for all properties and mobile web traffic for MeetMe and Skout.

The Company uses Adjusted EBITDA and Non-GAAP Net Income, 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 operations before interest expense, benefit or provision for income taxes, depreciation and amortization, stock-based compensation, changes in warrant obligations, non-recurring acquisition, restructuring or other expenses, gain or loss on cumulative foreign currency translation adjustment, gain on sale of asset, bad debt expense outside the normal range, and goodwill and long-lived asset 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) before benefit or provision for income taxes, amortization of intangibles, non-recurring acquisition and restructuring costs, bad debt expense outside the normal range, 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.

	For the Three Months Ended				
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
Net Income Allocable to Common Stockholders	\$ 2,354,898	\$ 29,618,389	\$ 4,392,409	\$ 9,902,922	\$ 445,846
Interest Expense	6,745	5,360	4,123	3,160	2,332
Change in warrant liability	(241,777)	787,391	318,983	-	-
Depreciation and amortization	751,264	753,918	761,460	1,802,568	1,684,839
Amortization of stock based compensation	727,780	915,572	911,490	1,013,145	1,134,158
Benefit (provision) for income taxes	94,317	(27,219,764)	-	(749,916)	292
Acquisition and restructuring costs	-	1,160,349	467,777	829,169	1,500,429
(Gain) loss on cumulative effect of foreign currency translation adjustment	(16,352)	(18,201)	1,206	(69)	2,200
Adjusted EBITDA	\$ 3,676,875	\$ 6,003,014	\$ 6,857,448	\$ 12,800,979	\$ 4,770,096

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

	For the Three Months Ended	
	March 31,	
	2017	2016
Net Income Allocable to Common Stockholders	\$ 445,846	\$ 2,354,898
Interest expense	2,332	6,745
Depreciation and amortization	1,684,839	751,264
Stock-based compensation expense	1,134,158	727,780
Change in warrant liability	-	(241,777)
(Benefit) provision for income taxes	292	94,317
Acquisition and restructuring costs	1,500,429	-
Cumulative effect of foreign currency adjustment	2,200	(16,352)
Adjusted EBITDA	<u>\$ 4,770,096</u>	<u>\$ 3,676,875</u>
GAAP basic net income per common stockholders	<u>\$ 0.01</u>	<u>\$ 0.05</u>
GAAP diluted net income per common stockholders	<u>\$ 0.01</u>	<u>\$ 0.04</u>
Basic adjusted EBITDA per common stockholders	<u>\$ 0.08</u>	<u>\$ 0.08</u>
Diluted adjusted EBITDA per common stockholders	<u>\$ 0.07</u>	<u>\$ 0.07</u>
Weighted average number of shares outstanding, Basic	<u>61,093,810</u>	<u>47,458,748</u>
Weighted average number of shares outstanding, Diluted	<u>66,204,620</u>	<u>53,666,626</u>

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

	For the Three Months Ended	
	March 31,	
	2017	2016
GAAP Net Income	\$ 445,846	\$ 2,354,898
Amortization of Intangibles	1,226,155	378,750
Stock-based compensation expense	1,134,158	727,780
Benefit (provision) for income taxes	292	94,317
Acquisition and restructuring costs	1,500,429	-
Non-GAAP Net Income	<u>\$ 4,306,880</u>	<u>\$ 3,555,745</u>
GAAP basic net income per common stockholders	<u>\$ 0.01</u>	<u>\$ 0.05</u>
GAAP diluted net income per common stockholders	<u>\$ 0.01</u>	<u>\$ 0.04</u>
Basic Non-GAAP net income per common stockholders	<u>\$ 0.07</u>	<u>\$ 0.07</u>
Diluted Non-GAAP net income per common stockholders	<u>\$ 0.07</u>	<u>\$ 0.07</u>
Weighted average number of shares outstanding, Basic	<u>61,093,810</u>	<u>47,458,748</u>
Weighted average number of shares outstanding, Diluted	<u>66,204,620</u>	<u>53,666,626</u>