

Fourth Quarter 2019

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, Skout and LOVOO. The Company defines a Video Daily Active User (vDAU) as a registered user of one of our platforms who has logged in and visited the Live feature, either as a broadcaster or viewer, on the day of measurement. The Company defines Average Daily Video Revenue per Daily Active User (vARPDau) as the average daily video revenue per vDAU. The Company uses these user metrics for financial and operational decision-making and as a means to evaluate period-to-period comparisons. The Company presents user metrics 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 its industry and because it believes that these metrics provide useful information to investors regarding the Company's financial condition and results of operations. There is no directly comparable U.S. generally accepted accounting principles (GAAP) measure to vARPDau provided in the Company's financial statements and therefore no reconciliation is provided.

The Company uses Adjusted EBITDA, Non-GAAP Net Income and Free Cash Flow, which are not calculated and presented in accordance with 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 for these historical non-GAAP financial measures to their directly comparable GAAP financial measures. Information reconciling forward-looking Adjusted EBITDA to GAAP financial measures is unavailable to the Company without unreasonable effort. The Company is not able to provide reconciliations of Adjusted EBITDA to GAAP financial measures because certain items required for such reconciliations are outside of the Company's control and/or cannot be reasonably predicted, such as the provision for income taxes. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flow, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the Company without unreasonable effort. The Company provides a range for its Adjusted EBITDA outlook that it believes will be achieved, however it cannot accurately predict all the components of the Adjusted EBITDA calculation.

The Company defines Adjusted EBITDA as net income (or loss) before interest expense, benefit from or provision for income taxes, depreciation and amortization expense, stock-based compensation expense, non-recurring acquisition, restructuring or other expenses, gain or loss on foreign currency transactions, gain or loss on sale or disposal of assets, bad debt expense outside the normal range, and goodwill and long-lived asset impairment charges. The Company excludes stock-based compensation expense because it is non-cash in nature. The Company defines Non-GAAP Net Income as net income (or loss) before benefit from or provision for income taxes, amortization on intangibles, non-recurring acquisition, restructuring and other expenses, goodwill and long-lived asset impairment charges and non-cash stock-based compensation expense. The Company defines Free Cash Flow as net cash provided by or used in its operating activities, minus purchases of property and equipment, as shown in the consolidated statements of cash flows.

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.

(In thousands)

	For the Three Months Ended (Unaudited)				
	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
Net income (loss)	\$ 4,294	\$ 1,258	\$ 2,205	\$ 2,993	\$ 4,878
Interest expense	484	403	328	300	270
Income tax (benefit) expense	(17)	254	935	1,036	2,704
Depreciation and amortization expense	3,217	3,198	3,430	3,451	3,052
Stock-based compensation expense	2,259	2,424	2,865	3,032	2,786
Acquisition, restructuring and other	236	479	25	244	(334)
Loss (gain) on disposal of assets	95	—	—	(41)	—
Loss (gain) on foreign currency transactions	3	65	2	27	(43)
Adjusted EBITDA	\$ 10,571	\$ 8,081	\$ 9,790	\$ 11,042	\$ 13,313

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

(In thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net income	\$ 4,878	\$ 4,294	\$ 11,334	\$ 1,143
Interest expense	270	484	1,301	2,322
Income tax expense (benefit)	2,704	(17)	4,929	467
Depreciation and amortization expense	3,052	3,217	13,131	13,776
Stock-based compensation expense	2,786	2,259	11,107	9,286
Acquisition, restructuring and other	(334)	236	414	5,038
Loss (gain) on disposal of assets	—	95	(41)	95
(Gain) loss on foreign currency transactions	(43)	3	51	(97)
Adjusted EBITDA	\$ 13,313	\$ 10,571	\$ 42,226	\$ 32,030

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

(In thousands, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
GAAP Net income	\$ 4,878	\$ 4,294	\$ 11,334	\$ 1,143
Stock-based compensation expense	2,786	2,259	11,107	9,286
Amortization of intangibles	2,402	2,605	10,533	11,520
Income tax expense (benefit)	2,704	(17)	4,929	467
Acquisition, restructuring and other	(334)	236	414	5,038
Non-GAAP net income	\$ 12,436	\$ 9,377	\$ 38,317	\$ 27,454
GAAP basic net income per share	\$ 0.07	\$ 0.06	\$ 0.15	\$ 0.02
GAAP diluted net income per share	\$ 0.07	\$ 0.06	\$ 0.15	\$ 0.02
Basic Non-GAAP net income per share	\$ 0.17	\$ 0.13	\$ 0.52	\$ 0.38
Diluted Non-GAAP net income per share	\$ 0.17	\$ 0.12	\$ 0.50	\$ 0.36
Weighted-average shares outstanding:				
Basic	71,332,964	74,217,118	74,118,035	73,085,542
Diluted	74,233,459	76,863,201	76,921,420	75,616,439

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

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Net income (loss)	2,993	1,298	6,456	(3,151)
Interest expense	300	559	1,031	1,838
Income tax expense	1,036	196	2,226	485
Depreciation and amortization expense	3,451	3,424	10,079	10,559
Stock-based compensation expense	3,032	2,767	8,321	7,027
Acquisition and restructuring	244	416	749	4,803
Gain on disposal of assets	(41)	—	(40)	—
Loss (gain) on foreign currency transactions	27	6	95	(101)
Adjusted EBITDA	11,042	8,666	28,917	21,460

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

<i>(In thousands, except share and per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
GAAP Net income (loss)	2,993	1,298	6,456	(3,151)
Stock-based compensation expense	3,032	2,767	8,321	7,027
Amortization of intangibles	2,791	2,904	8,131	8,915
Income tax expense	1,036	196	2,226	485
Acquisition and restructuring	244	416	749	4,803
Non-GAAP net income	10,096	7,581	25,883	18,079
GAAP basic net income (loss) per share	0.04	0.02	0.09	(0.04)
GAAP diluted net income (loss) per share	0.04	0.02	0.08	(0.04)
Basic Non-GAAP net income per share	0.14	0.10	0.34	0.25
Diluted Non-GAAP net income per share	0.13	0.10	0.33	0.23
Weighted-average shares outstanding:				
Basic	74,674,981	73,362,467	75,056,593	72,704,205
Diluted	76,205,022	79,365,576	77,836,975	77,831,545

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

<i>(In thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income (loss)	\$ 2,205	\$ (235)	\$ 3,463	\$ (4,449)
Interest expense	328	671	731	1,279
Income tax expense	935	541	1,190	288
Depreciation and amortization expense	3,430	3,505	6,628	7,135
Stock-based compensation expense	2,865	2,091	5,290	4,260
Acquisition and restructuring	25	1,037	504	4,387
(Gain) loss on foreign currency transactions	2	(4)	68	(107)
Adjusted EBITDA	<u>\$ 9,790</u>	<u>\$ 7,606</u>	<u>\$ 17,874</u>	<u>\$ 12,793</u>

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

<i>(In thousands, except share and per share data)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
GAAP Net income (loss)	\$ 2,205	\$ (235)	\$ 3,463	\$ (4,449)
Stock-based compensation expense	2,865	2,091	5,290	4,260
Amortization of intangibles	2,778	2,954	5,340	6,011
Income tax expense	935	541	1,190	288
Acquisition and restructuring	25	1,037	504	4,387
Non-GAAP net income	<u>\$ 8,808</u>	<u>\$ 6,388</u>	<u>\$ 15,787</u>	<u>\$ 10,497</u>
GAAP basic net income (loss) per common stockholder	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.05</u>	<u>\$ (0.06)</u>
GAAP diluted net income (loss) per common stockholder	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.04</u>	<u>\$ (0.06)</u>
Basic Non-GAAP net income per common stockholder	<u>\$ 0.12</u>	<u>\$ 0.09</u>	<u>\$ 0.21</u>	<u>\$ 0.15</u>
Diluted Non-GAAP net income per common stockholder	<u>\$ 0.11</u>	<u>\$ 0.08</u>	<u>\$ 0.20</u>	<u>\$ 0.14</u>
Weighted average shares outstanding:				
Basic	<u>75,648,621</u>	<u>72,753,487</u>	<u>75,250,562</u>	<u>72,369,619</u>
Diluted	<u>78,508,559</u>	<u>78,240,935</u>	<u>78,656,115</u>	<u>77,574,279</u>

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

<i>(In thousands)</i>	Three Months Ended March 31,	
	2019	2018
Net income (loss)	\$ 1,258	\$ (4,214)
Interest expense	403	608
Income tax (benefit) expense	254	(252)
Depreciation and amortization expense	3,198	3,630
Stock-based compensation expense	2,424	2,169
Acquisition and restructuring	479	3,350
(Gain) loss on foreign currency transactions	65	(103)
Adjusted EBITDA	<u>\$ 8,081</u>	<u>\$ 5,188</u>

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

<i>(In thousands, except share and per share data)</i>	Three Months Ended March 31,	
	2019	2018
GAAP Net income (loss)	\$ 1,258	\$ (4,214)
Stock-based compensation expense	2,424	2,169
Amortization of intangibles	2,562	3,057
Income tax (benefit) expense	254	(252)
Acquisition and restructuring	479	3,350
Non-GAAP net income	<u>\$ 6,977</u>	<u>\$ 4,110</u>
GAAP basic net income (loss) per common stockholder	<u>\$ 0.02</u>	<u>\$ (0.06)</u>
GAAP diluted net income (loss) per common stockholder	<u>\$ 0.02</u>	<u>\$ (0.06)</u>
Basic Non-GAAP net income per common stockholder	<u>\$ 0.09</u>	<u>\$ 0.06</u>
Diluted Non-GAAP net income per common stockholder	<u>\$ 0.09</u>	<u>\$ 0.05</u>
Weighted average shares outstanding:		
Basic	74,848,080	71,981,487
Diluted	78,799,248	75,849,484

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

<i>(In thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Net income (loss)	4,294	(68,117)	1,143	(64,592)
Interest expense	484	438	2,322	860
Income tax (benefit) expense	(17)	11,638	467	6,704
Depreciation and amortization expense	3,217	3,954	13,776	11,574
Stock-based compensation expense	2,259	2,665	9,286	8,467
Goodwill impairment	—	56,429	—	56,429
Acquisition and restructuring	236	3,503	5,038	12,151
Loss on disposal of assets	95	—	95	—
(Gain) loss on foreign currency transactions	3	30	(97)	33
Adjusted EBITDA	\$ 10,571	\$ 10,540	\$ 32,030	\$ 31,626

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

<i>(In thousands, except share and per share data)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
	\$	\$	\$	\$
GAAP Net income (loss)	4,294	(68,117)	1,143	(64,592)
Stock-based compensation expense	2,259	2,665	9,286	8,467
Amortization of intangibles	2,605	3,371	11,520	9,353
Income tax (benefit) expense	(17)	11,638	467	6,704
Goodwill impairment	—	56,429	—	56,429
Acquisition and restructuring	236	3,503	5,038	12,151
Non-GAAP net income	\$ 9,377	\$ 9,489	\$ 27,454	\$ 28,512
GAAP basic net income (loss) per common stockholder	\$ 0.06	\$ (0.95)	\$ 0.02	\$ (0.94)
GAAP diluted net income (loss) per common stockholder	\$ 0.06	\$ (0.95)	\$ 0.02	\$ (0.94)
Basic Non-GAAP net income per common stockholder	\$ 0.13	\$ 0.13	\$ 0.38	\$ 0.41
Diluted Non-GAAP net income per common stockholder	\$ 0.12	\$ 0.12	\$ 0.36	\$ 0.39
Weighted average shares outstanding:				
Basic	74,217,118	71,808,179	73,085,542	68,743,956
Diluted	76,863,201	75,965,208	75,616,439	73,198,544