

Third 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 operations before interest expense, benefit or provision for income taxes, depreciation and amortization, stock-based compensation, 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 on 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.

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net Income (Loss) allocable to Common Stockholders	\$ 4,392,409	\$ (2,035,621)	\$ 36,365,696	\$ (103,639)
Interest expense	4,123	93,383	16,228	375,239
Depreciation and amortization	761,460	762,830	2,266,642	2,380,004
Stock-based compensation expense	911,490	661,426	2,554,842	2,009,742
Change in warrant liability	318,983	(45,532)	864,596	(6,212)
Benefit (provision) for income taxes	-	(1,849)	(27,125,446)	126,801
Acquisition and restructuring costs	467,777	-	1,628,126	-
Bad debt outside normal range	-	5,735,204	-	5,735,204
(Gain) loss on cumulative effect of foreign currency translation adjustment	1,206	78,987	(33,347)	862,078
Gain on sale of asset	-	-	-	(163,333)
Adjusted EBITDA	<u>\$ 6,857,448</u>	<u>\$ 5,248,828</u>	<u>\$ 16,537,337</u>	<u>\$ 11,215,884</u>
GAAP basic net income (loss) per common stockholders	<u>\$ 0.08</u>	<u>\$ (0.04)</u>	<u>\$ 0.73</u>	<u>\$ 0.00</u>
GAAP diluted net income (loss) per common stockholders	<u>\$ 0.07</u>	<u>\$ (0.04)</u>	<u>\$ 0.65</u>	<u>\$ 0.00</u>
Basic adjusted EBITDA per common stockholders	<u>\$ 0.13</u>	<u>\$ 0.12</u>	<u>\$ 0.33</u>	<u>\$ 0.25</u>
Diluted adjusted EBITDA per common stockholders	<u>\$ 0.12</u>	<u>\$ 0.11</u>	<u>\$ 0.30</u>	<u>\$ 0.23</u>
Weighted average number of shares outstanding, Basic	<u>53,231,369</u>	<u>45,470,686</u>	<u>49,649,221</u>	<u>45,192,785</u>
Weighted average number of shares outstanding, Diluted	<u>59,048,821</u>	<u>49,128,421</u>	<u>55,604,866</u>	<u>48,794,667</u>

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
GAAP Net Income (Loss)	\$ 4,392,409	\$ (2,035,621)	\$ 36,365,696	\$ (103,639)
Stock-based compensation expense	911,490	661,426	2,554,842	2,009,742
Amortization of intangible assets	381,916	378,750	1,142,583	1,145,416
Benefit (provision) for income taxes	-	(1,849)	(27,125,446)	126,801
Acquisition and restructuring costs	467,777	-	1,628,126	-
Bad debt outside normal range	-	5,735,204	-	5,735,204
Non-GAAP Net Income	<u>\$ 6,153,592</u>	<u>\$ 4,737,910</u>	<u>\$ 14,565,801</u>	<u>\$ 8,913,524</u>
GAAP basic net income (loss) per common stockholders	<u>\$ 0.08</u>	<u>\$ (0.04)</u>	<u>\$ 0.73</u>	<u>\$ 0.00</u>
GAAP diluted net income (loss) per common stockholders	<u>\$ 0.07</u>	<u>\$ (0.04)</u>	<u>\$ 0.65</u>	<u>\$ 0.00</u>
Basic non-GAAP net income per common stockholders	<u>\$ 0.12</u>	<u>\$ 0.10</u>	<u>\$ 0.29</u>	<u>\$ 0.20</u>
Diluted non-GAAP net income per common stockholders	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.26</u>	<u>\$ 0.18</u>
Weighted average number of shares outstanding, Basic	<u>53,231,369</u>	<u>45,470,686</u>	<u>49,649,221</u>	<u>45,192,785</u>
Weighted average number of shares outstanding, Diluted	<u>59,048,821</u>	<u>49,128,421</u>	<u>55,604,866</u>	<u>48,794,667</u>