



29 April 2015

## QUARTERLY OPERATIONS UPDATE

**migme Limited (ASX: MIG, WKN: A117AB)**

### HIGHLIGHTS: MARCH 2015 QUARTER (Q1)

- **Monthly Active User numbers grew to more than 14 million, up from more than 10 million at the end of December 2014.**
- **Verified artists and audience builders grew from 150 to more than 380.**
- **Cash receipts for the quarter nearly doubled from \$565k to \$1.125m.**
- **Net cash operating outflows fell from \$3.72m to \$3.24m.**
- **First iPhone client accepted into Apple's App Store, with a full client to be available later in Q2.**
- **Started receiving payments from Doku in Indonesia during March 2015.**

### Introduction

The March 2015 quarter saw migme advance its objectives in Indonesia and other emerging markets, building out artist and media partnerships, adding games and working closely with handset manufacturers. The Company also made significant progress from a financial perspective.

### Audience

During the March 2015 quarter, migme made further gains in growing its audience, to the point where monthly active user (MAU) numbers have reached more than 14 million.

The growth in MAU numbers has come largely from a combination of platform improvements and bringing more artists, bloggers and other audience builders to the migme platform. The number of audience builders (recording artists, actors and other celebrities) grew to more than 380 at the end of the March quarter, from around 150 in the prior quarter.

Audiences are able to engage with the verified users and each other through virtual gifts as premium messaging, or through other interactive experiences that drives the demand for prepaid credits and thus sales (of which the artists get a revenue share). An example of the model, end-to-end, is shown in Figure 1 below.

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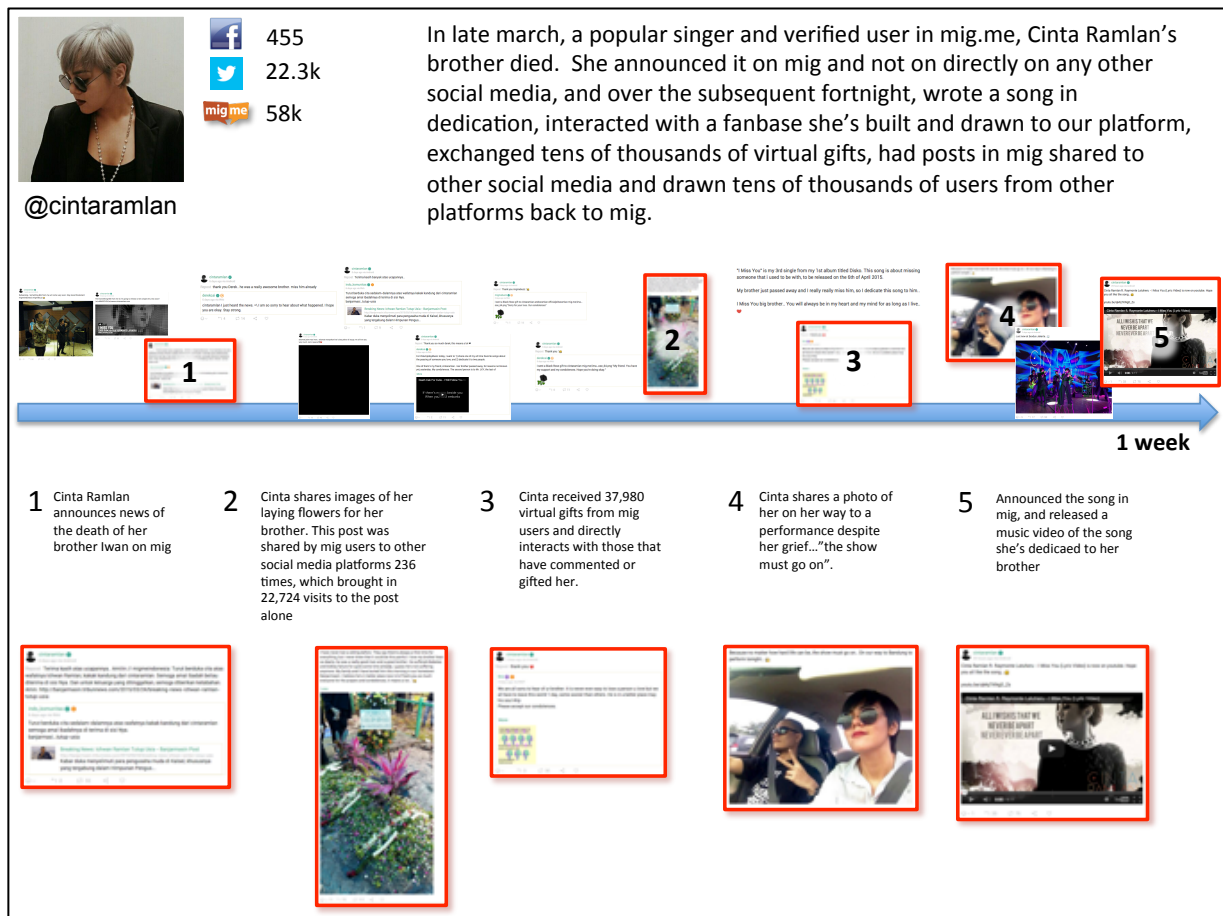


Figure 1. Cinta Ramlan

As a result of this engagement model, migme now has a growing number of artists who are interacting more in migme than in other social media. This is an exciting development that is helping to attract more artists, bloggers and other key audience builders to the platform. The Company is also extending the model to a reality television program called *Mega Model*, which will air in South Asia.

Additionally, alivenotdead has executed a number of events in Taiwan and Japan. They are looking to Korea to extend their reach, where they have started activating artists across their user base and the main migme platform, and we are looking at extending the franchise to other geographies as the year progresses.

## Platform & Product Development

Improvements to migme as a platform, the integration of MiniMe (part of the LoveByte acquisition) and general bug fixing and polish have helped the group grow MAU numbers and cash receipts. The pace of development, platform stability and polish has increased with the establishment of a development team of nearly 20 product managers and engineers in Taiwan.

migme released its first iPhone client approved by the Apple App Store and a full client will be available later in the June 2015 quarter. LoveByte released Android versions of its Application and integrated MiniMe with the migme platform.

alivenotdead's platform has had further improvements and integration with the rest of migme's platform has commenced. Games are being integrated and are now running, but will need further work to have a material effect on both MAU numbers and revenues. Lastly, as scheduled we have restarted the Sold.sg platform (and extended it to Malaysia) where it is now contributing to MAU numbers and revenues.

Over the next few quarters, migme will be further integrating the platforms. The Company looks forward to being able to integrate auctions with chatrooms and virtual goods and services from LoveByte and many other application developers, to the central migme experience. We will also be extending our Application Programming Interface to several key developers.

## Operations

The operational footprint of the group has been built out, with the establishment of the development team in Taiwan and the addition of the Sold.sg team in Malaysia. The integration of teams across different countries has also continued.

In March, migme started accepting payments from Doku, its Indonesian payment gateway, and the Company accelerated the launch of Sold.sg in Malaysia. The combination of these and other activities contributed to nearly a 100% growth in cash receipts for the quarter.

## Finance

	30 Sept '14 (Q3)*	31 Dec '14 (Q4)	31 Mar '15 (Q1)
Monthly Active Users	>7m	>10m	>14m
Artists / Verified Users	>30	>150	>380
Average Monthly Paying Users	33k	33k	27k
Cash Receipts from Operations (\$'000s)	306	565	1,125
Nett Operating Cash Inflows / (Outflows) (\$'000s)	(1,613)	(3,723)	(3,240)
Nett other Cash Inflows/(Outflows)('000s)	801	(265)	339
Cash on Hand (\$m)	9.7	5.9	3.2

\* partial quarter, August 11 to 30 September 2014.

migme ended the March quarter with cash reserves of \$3.172 million after accounting for operating cash outflows of \$4.374 million and cash receipts from customers of \$1.125 million. The Company's total cash outflow improved over the prior quarter due to the combination of favorable changes in operating cash receipts and outflows and the scheduled redemption of the Company's convertible note of \$0.523 million from its MatchMe investment, whilst retaining the business relationship.

Subsequent to quarter end, on April 13 migme successfully completed the placement of 10,447,761 fully paid ordinary shares at an issue price of \$0.67 per share to various sophisticated and professional investors to raise \$7 million before costs.

## **Looking Ahead**

In the next two quarters migme is looking at improving the quality of service, experience and operations and consolidating the growth in MAU numbers and cash receipts. The Company intends to be on more handsets (pre-installed and otherwise), bring more artists and media partners on board, working with other game and applications partners and building engaging experiences across the group that grow the number of monetising users and revenues per user.

It's an exciting time for the Company and we are grateful to our users, our partners and our shareholders for their support. Should you have any questions or inquiries, please do not hesitate to contact us through email at [investor@mig.me](mailto:investor@mig.me).

Yours Sincerely

Steven Goh  
CEO & Co-founder

## **ABOUT MIGME LTD**

migme Limited (ASX: MIG | WKN: A117AB) is a global digital media company focused on emerging markets. We deliver social entertainment services through mobile apps migme and LoveByte and artist management website alivenotdead. The Company is listed and registered in Australia. Headquarters are in Singapore with offices in Malaysia, Indonesia, Taiwan and Hong Kong.

For more information, please visit <http://company.mig.me>

This announcement is for informational purposes only and is neither an offer to sell nor an offer to buy any securities, or a recommendation as to whether investors should buy or sell.

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This announcement contains information that may constitute forward-looking statements and uses forward-looking terminology such as “anticipate” “propose” “expect” and “will,” negatives of such terms or other similar statements. You should not place undue reliance on any forward-looking statement due to its inherent risk and uncertainties, both general and specific. Although we believe the assumptions on which the forward-looking statements are based are reasonable and within the bounds of our knowledge of our business and operations as of the date hereof, any or all of those assumptions could prove to be inaccurate. Risk factors that could contribute to such differences include, the performance of our shares on the ASX and the performance of global capital markets and companies in our sector, as well as factors relating to the performance of our business, including intense competition we face; failure to innovate and provide products and services that are useful to users; our ongoing need for capital for investment in new and existing business strategies and new products, services and technologies, including through acquisitions; the potential for declines in our revenue growth rate and downward pressure on our operating margin in the future; increased regulatory scrutiny that may negatively impact our business; legal proceedings that may result in adverse outcomes; failure to maintain and enhance our brand; uncertainty as to our ability to protect and enforce our intellectual property rights; and uncertainty as to our ability to attract and retain qualified executives and personnel. The forward-looking information provided herein represents the Company's estimates as of the date of the announcement, and subsequent events and developments may cause the Company's estimates to change. The Company specifically disclaims any obligation to update the forward-looking information in the future. Therefore, this forward-looking information should not be relied upon as representing the Company's estimates of its future intentions as of any date subsequent to the date of this announcement. Our plans may differ materially from information contained in the forward-looking statements as a result of these risk factors or others, as well as changes in plans from our Board of Directors and management.