



19 August 2016

migme completes \$10 million capital raising

- migme completes \$10 million capital raise, including \$2 million recently placed with strategic shareholder Meitu and \$8 million from investors, including Foxconn, MNC and Malcolm Steinberg
 - Targets the achievement of cash flow positive operations in 2017, with focus on user engagement and monetisation in the short-term
 - Focus for the next quarter on cost management, whilst preserving headline growth
 - Management team, in association with strategic partners, is focussed on building a successful social entertainment business for the Company's key markets of South and Southeast Asia
 - CEO Steven Goh to subscribe for 250,000 shares
 - Trading to re-commence on Monday 22 August 2016
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Global digital media company migme Limited ("**migme**" or the "**Company**") is pleased to announce that it has completed the raising of \$10.226 million (before costs) pursuant to the issue of 25,564,879 fully paid shares at an issue price of \$0.40 per share (of which 5,045,069 shares were issued to Meitu Investment Limited (Meitu) on 7 July 2016).

As part of the capital raise, migme received \$2 million from Meitu, \$4.5 million from strategic investors, including FIH Mobile Limited (Foxconn), PT Media Nusantara Citra Tbk (MNC) and Malcolm Steinberg (proprietor of the LAI Group) and a further \$3.7 million from sophisticated investors. In addition and subject to the receipt of shareholder approval, CEO of migme Steven Goh, has agreed to subscribe for 250,000 shares.

Following recent upgrades to the Company's platform and subject to market conditions and business risks, the funds raised will be applied to generate further growth, user engagement and monetisation, which in turn is expected to deliver cash flow positive operations in 2017.

Steven Goh, CEO of migme said, "The strong support received from Meitu, Foxconn, MNC and Mr Steinberg illustrate that they are excited about the user numbers and revenues reported in our June 2016 quarterly report and we look forward to continued growth across our key markets in South and Southeast Asia.

In the June 2016 quarterly, the Company saw growth in Monthly Active Users (MAU) up 10.3% to 43 million¹ and revenues increased 7% to \$7.6 million, whilst cash outflows fell 10% to \$5.1 million. The focus for the next quarter is on cost management whilst preserving headline growth.

Following the completion of the acquisitions of Hipwee, Shopdeca and Sold, cash flows will continue to decrease as the Company integrates these businesses and expands the platform, contributing to the growth of MAU and revenues and at the same time deepening user engagement.

In building a substantial and valuable user base, the Company's alignment with strategic partnerships (including Meitu, Creative Artists Agency, Sony Music and Universal Music) accelerates our expansion in the region by working with artists and entertainers, games and apps. (migme's first mobile game Gone Goose and Meitu's BeautyPlus and MakeUpPlus) and other content providers.

The recent alliance with the MOX (Mobile-Only Accelerator) platform provides the Company with further reach to over 135 million² Android handsets, access to regional apps and local market OEM's (Original Equipment Manufacturers), in addition to their mobile preinstall and distribution partners (including MoMagic, Smartfren, Spice Global and Trikomsel) for their key markets.

migme Limited ABN 43 059 457 279 | **Address:** c/- Baker & McKenzie, Level 27, AMP Centre, 50 Bridge Street, Sydney
New South Wales, Australia, 2000 | **Phone / Facsimile:** (+61) 7 3901 0751

HQ: 111 North Bridge Road, #26-01 Peninsula Plaza, Singapore 179098 | **Contact:** investor@mig.me | **Web:** <http://company.mig.me>



Mr Goh said, “LINE’s recent IPO on the Tokyo and New York stock exchanges provides proof that our business strategy works in the region. I believe we have the right investors, management team and strategic partners to build a social entertainment business that’s right for our target markets.”

“We appreciate the support of our shareholders and stakeholders during this capital raising process. Our strong board and management team led by Non-Executive Chairman Andi Zain, along with recently appointed Chief Operating Officer Craig White and Chief Strategy Officer Yen Chang (Charles) Pan, sets the Company in good standing to deliver against our business strategy and the delivery of cash flow positive operations in 2017.”

migme anticipates that, following the release of this announcement, ASX will re-instate the Company’s securities to trading as of the commencement of trading on Monday 22 August 2016.

¹ Consistent with industry practice, Monthly Active Users (MAU) are independently provided by Google Analytics and are a consolidation of the Company’s traffic from web, mobile web, feature phones, Android and iPhone client usage for migme, LoveByte, alivenotdead, Sold Shopdeca and Hipwee.

² Source: Provided by MOX.

Media Contact and Investor Relations

Kyahn Williamson
Buchan Consulting
Phone: (+61) 3 9866 4722 or (+61) 401018828
kwilliamson@buchanwe.com.au

About migme Limited

migme Limited (ASX: MIG | WKN: A117AB) is a global digital media company focused on emerging markets. Social entertainment services are delivered through mobile apps migme and LoveByte, artist management website alivenotdead, social news site Hipwee and ecommerce services Sold and Shopdeca. 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>