



ASX Release

10 August 2017

March 2017 Quarterly Activities Report

Highlights

- >15% increase in Monthly Active Users during March quarter to over 39 million; and
- Cost efficiency strategy identifies more savings.

During the March 2017 quarter, Monthly Active Users (MAUs) continued to grow steadily, to over 39 million, an increase of over 6 million (see Chart 1 below).

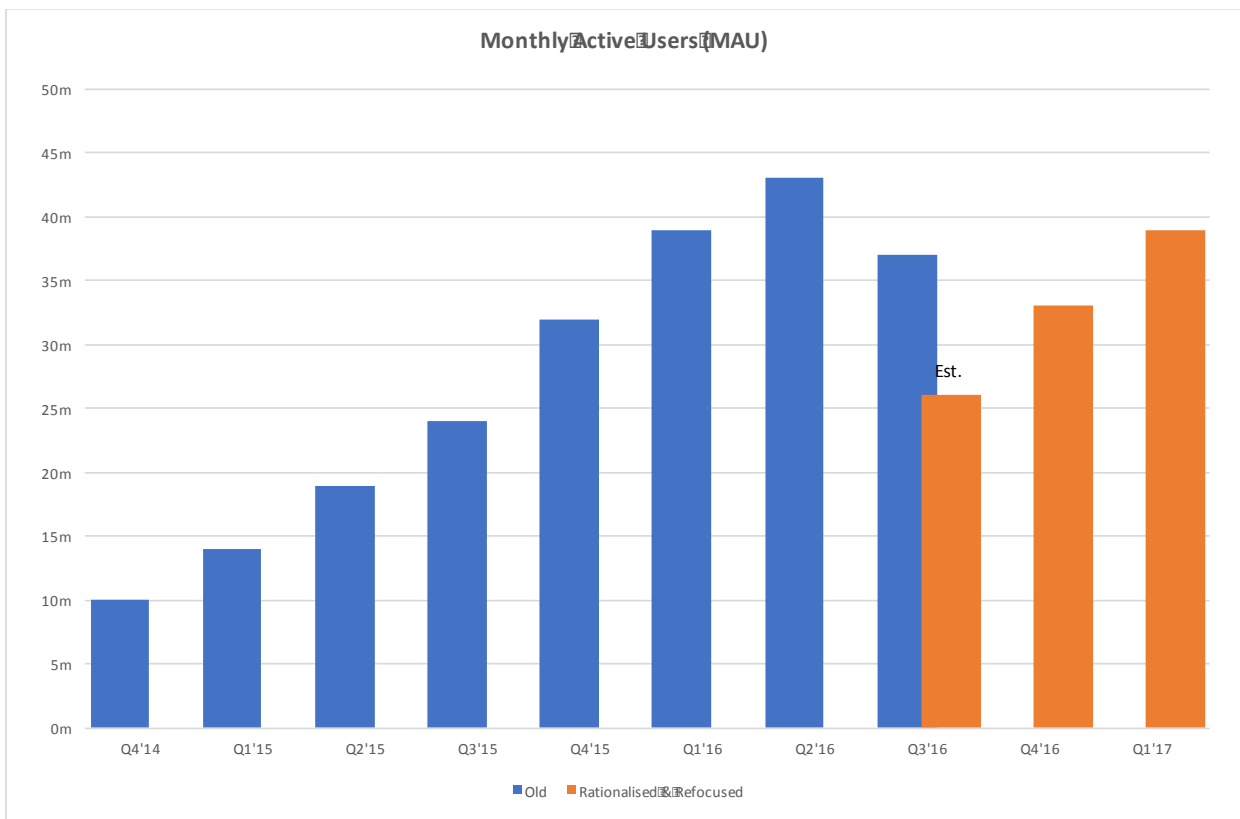


Chart 1. Monthly Active Users (MAU). The growth over the last 2 quarters is on the basis of simplified operations and reliant on operational and community management processes to draw and retain an audience. (Consistent with industry practice, monthly active users (MAU's) are independently provided by Google Analytics and are a measure of unique visitors to the Company's properties migme, alivenotdead and Hipwee over the relevant period).

In the period to March 2017, the Company's partnership with media companies, content creators, games and improvements in quality of operations and cost management, provided a low cost and effective strategy for the acquisition and retention of new users.

The number of active artists grew by around 10% during the March quarter, however, more importantly the average revenue per user increased substantially during this period. The peak performer for February contributed over US\$6,000 in sales alone and appears replicable to the top several dozen content creators. The Company is now able to demonstrate that the structured

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recruitment of new artists can provide a consistent and repeatable revenue, as well as new users for the Company.

From an engagement perspective, gaming has emerged as a potential significant part of the ongoing business. New games were launched over the six months to 31 March 2017 which have shown weekly engagement rates on an enabled Android Phones of over 6%, up from less than 1% in the same period last year. Importantly, 20% of enabled Android users using the games released in H2 2016 were still engaged after 60 days up to several % of each game may monetise up to US\$20 per month per unique user. These engagement rates compare favourably to similar platforms in the region. Subject to the Company securing funding, the Company anticipates improvements in both engagement rates and monetisation.

As previously announced, the Company has been working with MOX to improve the Company's product platform and its operational processes. A new build of the Android client has been developed and is nearing completion.

By the end of March, 2017 advertising sales on Hipwee grew to over US\$40k per month. Subject to securing funding, the Company is evaluating growing Hipwee across the platform and to other countries.

Regrettably these results have been affected by the protracted Solaris transaction process.

Cost & Efficiency Strategy

During the quarter, the Company investigated and implemented several strategies aimed at reducing the monthly cash burn of the Company.

Growth in MAUs to 31 March 2017 was achieved largely through operations with little or no marketing expenditure. Business processes were moved to lower cost countries and were more efficiently redesigned. Further reductions in the operating cost profile of the Company can be achieved through the rationalisation of server costs, hosting costs and operating expenses.

These strategies have resulted in a reduction in monthly operating cost profile to less than US\$100,000 per month, down by over 90% from a year ago.

Following the securing of financing, several sales and revenue enhancing plans will become the focus, with an expectation that revenues could be increased in late 2017.

Looking ahead

Over the next few weeks, the Company is intending to lodge its June quarterly and presenting a restructuring plan to its shareholders and creditors.

Should you have any questions or inquiries, please do not hesitate to contact migme via email at investor@mig.me.

Steven Goh
Chief Executive Officer

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 community alivenotdead and social news site Hipwee. 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>