



## QUARTERLY OPERATIONS REPORT

15 October 2015 – migme Limited (ASX: MIG, WKN: A117AB)

### HIGHLIGHTS: SEPTEMBER 2015 QUARTER (Q3)

- Quarter on quarter, further growth of Monthly Active Users (MAUs), up 26% to 24 million.
- Quarter on quarter cash receipts up by 68% to \$3.7 million.
- Successful \$10.1 million placement to strategic shareholders and institutions.
- Cash reserves of \$10.8 million at quarter end.
- Established Indian office and appointed country manager.
- Continued to grow user base in emerging markets, particularly Indonesia, India and the Philippines.
- Signed additional artists and media relationships, particularly in India.

### Key Metrics

METRIC	31 DEC 2014	31 MAR 2015	30 JUN 2015	30 SEP 2015
Monthly Active Users (MAUs)*	>10m	>14m	>19m	>24m
Artists/verified users	>150	>380	>400	>490
Cash receipts from operations (\$,000)	565	1,125	2,201	3,743
Net operating cash inflows/(outflows) (\$'000)	(3,723)	(3,240)	(4,208)	(4,400)
Net other cash inflows/(outflows) (\$'000)	(265)	339	6,497	9,642
Cash on hand (\$m)	5.9	3.2	5.4	10.8

\* Consistent with industry practice MAUs 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, Sold, and Lovebyte.

## **Overview**

During the September quarter, migme ("the Company")(ASX:MIG, WKN: A117AB) continued to grow its user base in emerging markets including Indonesia, India and the Philippines, signed additional artists and media relationships, particularly in India and continued with the development of games for the migme platform.

## **Audience (customer base)**

Group Monthly Active Users increased to over 24 million by quarter end as a result of a combination of artist management, marketing campaigns around referrals and engagement, continuous work around handset pre-installations and product improvements.

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During the quarter the Company established forward operations in India and the Philippines, improved the quality of operations across all jurisdictions with plans underway for additional expansion.

Sound progress has been made:

- Through the establishment of a number of key relationships, including CAA Kwan (India), Sony Music (India), Qyuki (India), Terno Recordings (Philippines) and Boombox (Philippines), and
- In building out processes to reach Key Opinion Leaders beyond Indonesia and into India and the Philippines.

## **Product Development, Engineering and Operations**

Activities in the September quarter focused on establishing offices to support migme's operations in India and the Philippines, in the same way as the Company had already done in Indonesia.

migme also saw the reorganisation of the development teams between Singapore and Taiwan and across a number of key product and engineering projects, to position the group for future growth. These initiatives are expected to positively impact the Company's operations over the next two quarters, with noticeable improvements expected in the product and platform.

## **Finance**

The Company is pleased to report the support of key shareholders and institutions in participating in the latest fundraising round with the placement of A\$10.1million completed in September 2015.

The Company's increased cash reserves will be utilised to execute migme's strategic and business plans in its key emerging markets, with emphasis placed on growing MAUs, engagement and revenues, with the intention of re-focusing on margins and net earnings in 2016.

## **Looking Ahead**

migme's focus for the December 2015 quarter is to make gains in the customer experience and platform optimisation programs, whilst continuing to develop the artist engagement program and developing and distributing valuable content for its users. The Company intends to use a combination of programs to deliver continued growth of MAUs and cash receipts across the key markets of India, Indonesia and the Philippines.

Should you have any questions or inquiries, please do not hesitate to contact migme through email at [investor@mig.me](mailto:investor@mig.me).

Steven Goh  
CEO & Cofounder

## **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, artist management website alivenotdead and ecommerce services through Sold. The Company is registered and listed 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.

### **Special Note on Forward-Looking Statements**

This announcement contains information that may constitute forward-looking statements and uses forward-looking terminology such as "anticipate", "propose", "expect" and "will" and negatives of such terms or other similar statements. You should not place undue reliance on any forward-looking statement due to their 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, performance of our shares, 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 this 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.