

MEGA MATRIX CORP. Announces First Quarter 2024 Financial Results



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Mega Matrix Corp. →
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PALO ALTO, Calif., May 8, 2024 /PRNewswire/ -- Mega Matrix Corp. ("MPU" or the "Company") (NYSE American: MPU), today announced financial results for its first quarter ended March 31, 2024. Since the beginning of 2024, the Company made the strategic decision to focus on short drama streaming platform, FlexTV and ceased the crypto-related business, we have made significant progress in finance and operation.

Financial Highlights

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Q1 2024 Performance Brief

\$8.69M

Total Revenue

\$8.05M

Membership and
top-up streaming
services revenue

2.62M

Quarterly Active
Users ("QAU")¹

\$3.07

Average revenue
per user
("ARPU")²

0.32M

Quarterly Paying
Users ("QPU")³

\$24.94

Average revenue
per paying user
("ARPPU")⁴

1. An active user is defined as a user who has downloaded





Mega Matrix
NYSE American: MPU



Q1 2024 Regional Breakdown of Performance

2.62M

Quarterly Active
Users ("QAU")

\$3.07

Average revenue
per user
("ARPU")*

0.79M

"QAU" of
the U.S.

1.83M

"QAU" of
the other
countries

\$5.58

"ARPU" of
the U.S.

\$2.00

"ARPU" of
the other
countries

0.32M

Quarterly Paying
Users ("QPU")

\$24.94

Average revenue
per paying user
("ARPPU")*

0.16M

"QPU" of
the U.S.

0.16M

"QPU" of
the other
countries

\$26.39

"ARPPU" of
the U.S.

\$23.39

"ARPPU" of
the other
countries

1. An active user is defined as a user who has downloaded



- In Q1 2024, the Company's total unaudited revenue reached \$8.7 million, including over \$8.0 million from membership and top-up streaming services and around \$0.7 million from online advertising services.
- Membership and top-up streaming services revenue from the U.S. market amounted to \$4.4 million, representing 54.6% of the total streaming services revenue, which was attributed to our focus on English self-produced short dramas and the U.S. market.
- Gross profit for Q1 2024 reached \$5.2 million, with an almost 60.0% gross profit margin.

Operating Highlights



- User recharge totaled \$9.3 million in Q1 2024, with 66.0% generated from the U.S.
- In Q1 2024, our quarterly active users reached 2.62 million, with an ARPU of \$3.07 and quarterly active paying users amounted to 0.32 million, with an ARPPU of \$24.94 respectively.
- As of April 30, 2024, several hit series were released, among which "Mr. Williams! Madame is Dying" generated unaudited total user top-up amount reaching over \$6.3 million and brought 4.8 million views, which demonstrated the powerful monetization capability of hit series.
- As of April 30, 2024, FlexTV had a total inventory of over three hundred (300) short dramas, with two hundred and four (204) already released. Among the released dramas, fifty-three (53) are self-produced.
- On January 20, 2024, FlexTV rose to 8th position in the Apple App Store Entertainment Top Charts (Free Apps, U.S.).

Management Commentary

Mr. Yucheng Hu, CEO of Mega Matrix Corp. said, "In Q1 of 2024, our efforts to bolster FlexTV's development were validated as we witnessed significant traction and engagement on the platform. The rapid uptake by users underscores the appeal of our curated short drama content, tailored for the vertical screen format.

Building on this momentum, our focus for the remainder of the year is on further enriching the FlexTV experience. We are committed to expanding our content library, nurturing studios that supply content to our platform, forging strategic partnerships, and enhancing user engagement features to ensure that FlexTV remains at the forefront of the evolving entertainment landscape.

We attained our financial results by releasing only four self-producing English short dramas tailored for English-speaking world in 2024 Q1. Mega Matrix recognizes that captivating storylines are both the cornerstone and bottleneck of successful short dramas.

Consequently, we have strengthened our script team, significantly enlarging its size by about 10 times and refining the script writing process. The newly reinforced team is now poised to produce 5 to 10 short dramas per month starting from June 2024.

The success we've experienced in Q1 reaffirms our belief in FlexTV's potential to revolutionize the way audiences consume content in the digital age. We are excited to continue driving innovation and delivering compelling entertainment experiences that resonate with viewers worldwide, all while maximizing value for our shareholders."

About Mega Matrix: Mega Matrix Corp. (NYSEAMEX: **MPU**) is a holding company and operates FlexTV, a short-video streaming platform and producer of short dramas, through Yuder Pte, Ltd., an indirect majority-controlled subsidiary of Mega Matrix. Mega Matrix is a Delaware corporation headquartered in Palo Alto, CA. For more information, please contact info@megamatrix.io or visit: <http://www.megamatrix.io>.

Key Metrics

The numbers for our key metrics, which include our quarterly active users (QAU), quarterly paying users (QPU), average membership and top-up streaming service revenue per active user (ARPU), and average membership and top-up streaming service revenue per paying user (ARPPU), are calculated using internal company data based on the activity of user accounts. We define an active user as a user who has downloaded and opened FlexTV app at least once. We define a paying user as a user who has registered for a membership or topping up, provided a method of payment, and is entitled to access FlexTV services (this membership or topping up does not include participation in free trials or other promotional offers extended by FlexTV to new users). We define ARPU as average membership and top-up streaming services revenue generated by each active user in one quarter. We define ARPPU as average membership and top-up streaming services revenue generated by each paying user in one quarter. We use these metrics to assess the growth and health of the overall business and believe that ARPU best reflects our ability to attract, retain, engage and monetize our users, and thereby drive revenue. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring usage of our products across large online and mobile populations around the world. In addition, we are continually seeking to improve our estimates of our user base, and such estimates may change due to improvements or changes in technology or our methodology.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. All statements in this press release other than statements that are purely historical are forward looking statements. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose," and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees for future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company's control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, are: the ability to manage growth; ability to identify and integrate future acquisitions; ability to grow and expand our FlexTV business; ability to obtain additional financing in the future to fund capital expenditures; fluctuations in general economic and business conditions; costs or other factors adversely affecting the Company's profitability; litigation involving patents, intellectual property, and other matters; potential changes in the legislative and regulatory environment; a pandemic or epidemic; ; the possibility that the Company may not succeed in developing its new lines of businesses due to, among other things, changes in the business environment, competition, changes in regulation, or other economic and policy factors; and the possibility that the Company's new lines of business may be adversely affected by other economic, business, and/or competitive factors. The forward-looking statements in this press release and the Company's future results of operations are subject to additional risks and uncertainties set forth under the heading "Risk Factors" in documents filed by the Company with the Securities and Exchange Commission, including the Company's latest annual report on Form 10-K, and are based on information available to the Company on the date hereof. In addition, such risks and uncertainties include the Company's inability to predict or control bankruptcy proceedings and the uncertainties surrounding the ability to generate cash proceeds through the sale or other monetization of the Company's assets. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this press release.

Disclosure Channels

We announce material information about the Company and its services and for complying with our disclosure obligation under Regulation FD via the following social media channels:

X (f/k/a Twitter): twitter.com/MegaMatrixMPU

Facebook: facebook.com/megamatrixmpu
facebook.com/flextvus

LinkedIn: linkedin.com/company/megamatrixmpu

TikTok: tiktok.com/@flextv_english

YouTube: youtube.com/@FlexTV_English

The Company will also use its landing page on its corporate website (www.megamatrix.io) to host social media disclosures and/or links to/from such disclosures. The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these social media channels in addition to following our website, press releases, SEC filings and public conference calls and webcasts. The social media channels that we intend to use as a means of disclosing the information described above may be updated from time to time as listed on our website.

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