



Appendix 1 release

30 November 2016

Snakk Media Limited

This document covers Snakk Media Limited's unaudited financial results for the first half year ended 30 September 2016.

| (SNK): Snakk Media Limited | |
|---|-------------------------------|
| Results for announcement to the market | |
| Reporting Period | 6 months to 30 September 2016 |
| Previous Reporting Period | 6 months to 30 September 2015 |

| | Unaudited Sep-16 \$NZ | Percentage Change | Unaudited Sep-15 \$NZ |
|--|--------------------------------------|------------------------------|--------------------------------------|
| Gross sales revenue from continuing ordinary activities | \$4,706,095 | 2.7% | \$4,580,857 |
| Loss from continuing activities after tax attributable to security holders | (\$1,872,496) | 678.8% | (\$240,445) |
| Net loss attributable to security holders | (\$1,889,783) | 657.0% | (\$249,649) |

| Interim Dividend | Amount per security | Imputed amount per security |
|--|----------------------------|--|
| No interim dividend has been declared for this reporting period. | \$0.00 | \$0.00 |
| SNK has no dividend reinvestment plan currently in operation. | | |

| | |
|-----------------------|-----|
| Record Date | N/A |
| Dividend Payment Date | N/A |

Comments:

Snakk makes substantial investment into key business areas

New product development and revenue streams, Gross Margin remains strong

AUCKLAND, New Zealand, 30 November 2016 – Today mobile advertising technology company Snakk Media Ltd., (NXT: SNK) announced its unaudited revenue for the six months ended 30 September 2016. Revenue was \$4,706,095, representing year-on-year growth of 2.7%. Cash in bank at the end of September 2016 was \$1.55m.

Year-on-year the net loss after tax increased from -\$0.28m to -\$1.87m. Gross Margin continues to exceed the KOM full year guidance of 62%, at 64% for the first half of the Financial Year.

The increase in net loss was driven by the significant investment made by the Company into growing the business and a lag in revenue from Southeast Asia whilst Snakk continues to establish itself in that market. The investment was across sales, creative, strategy, ad operations, finance, executive management, product development and operational systems in all of its markets.

These investments were committed to as a key rationale for the company's successful capital raise in October 2015. They have been made to strategically position Snakk in a dynamic and fluid market, in order to provide a diversified product suite for growth in FY2018 and beyond.

The mobile advertising market continues to grow rapidly and is highly competitive. In order to effectively compete Snakk Media is executing on a business plan to drive new and increased revenue streams with differentiated products and services in areas where competitors are not as proficient and to continue to seek commercial partnerships that leverage Snakk's platforms and mobile creative team. The core pillars of the investment strategy include:

- The ongoing development of market-leading mobile media products
- Establishing exclusive technology partnerships for agencies and their brands
- Award-winning mobile creative for agencies and direct to brands
- Unique geo-location data insights capability for Tier 1 enterprise brands
- Programmatic / self-service access to Snakk Media's geo-location trading platform, and
- Continuing to develop Snakk's presence in Southeast Asia

Snakk Media has completed a substantial hiring and product development program in the first half of the Financial Year, and no further new investment is anticipated. The company is focused on generating new revenues and returning to positive earnings as a result of the investment strategy.

Half Year Highlights

Diversification of revenue streams from Snakk's core business, including the establishment of new teams and product capabilities to provide agency and brands with offerings that include:

- Specialised award-winning mobile creative via the Touch Create division
- Enterprise-level geo-location data products
- Omni-channel and mobile media solution and product strategy
- Programmatic / self-service trading platform access, and
- Continuing to develop Snakk's presence in Southeast Asia

Talent investment into core functions and roles, including:

- Chief Operations Officer
- Head of Sales, Australia and New Zealand
- Head of Solution Strategy and Solution Strategists
- Enterprise Data Strategy and Sales
- Ad Operations Implementation Manager
- Agency Media Sales staff in all markets, and
- Finance and HR

International and regional recognition for the Touch Create mobile creative division:

- Announced as a Celtra Platinum Partner, 1 of only 2 in Australia and New Zealand
- Finalist for the MMA Smarties APAC 2016 'Best Brand Experience in Rich Media' - Bond Spectre, Singapore, and
- Winner of 6 x Silver W3 Awards USA for Bond Spectre, Singapore and The Walk, Singapore

Snakk CEO Mark Ryan comments

The first half of the financial year has seen the implementation of a business strategy of significant investment to develop the optimal team, business structure and product offerings to drive growth in the next financial year and beyond.

While we continue to innovate our core mobile media business, we are also executing on a strategy that will deliver diversified mobile advertising revenue streams across creative and data, extending our traditional relationships beyond agencies and into brands directly.

Snakk is operating in a highly competitive market where mobile spending continues to increase. We now have a diversified range of products and services and an experienced management team in place to grow Snakk Media's leadership in mobile advertising, and to deliver a strong return on the investment in FY2018.