

SNK: MARKET UPDATE

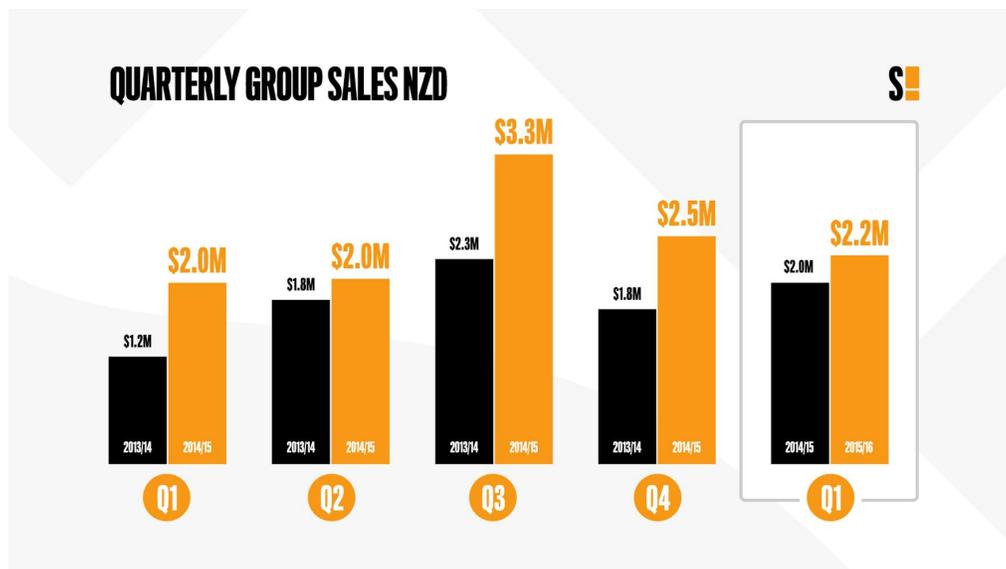
3 September 2015

Snakk’s first quarter: year-on-year gross margins rise, cash usage reduced by 83%

AUCKLAND, New Zealand, 3 September 2015 - Snakk Media Limited (NZAX: SNK) is today announcing first quarter unaudited revenues of NZD\$2,267,711 from April to June 2015, representing a 15% year-on-year increase.

Gross margins continued to rise in the quarter, increasing over 70% year-on-year and following the trend set in the second half of the previous financial year. On a year-on-year basis the rate of cash usage was significantly less, down by approximately \$715k compared to the first quarter of last financial year and totalling approximately \$146k for the first quarter; the lowest amount in the company's history.

Snakk Group CEO Mark Ryan says that while trading in the first half of the year is traditionally slower than the second half, there has been a focus on cost management, product pricing strategies and margin control in order to deliver a strong commercial performance for the financial year. With revenues of circa \$10m per year, Snakk has now reached a point of scale where each dollar of revenue is used far more efficiently than when it was a smaller company.



Comments from Snakk Group CEO Mark Ryan

Considerable energy has been spent for much of 2015 to ensure we are ready to capitalise on the opportunities in the second half of the trading year, which is our peak trading period. We finished the second half of the last financial year strongly, steadily improving key areas of our business and it's pleasing to see this continue into this quarter. After committing significant investments into our people, technology and internal systems over 12 months ago to drive efficiencies and scale, our quarterly cash usage was reduced by over 80% on a year-on-year basis.

We are still a young company and Snakk operates in a particularly fast-evolving industry which grows more competitive every year. In simple terms we need to continue to invest into scaling our capabilities,

growing our revenue, protecting our margins and maintaining access to capital. When Snakk listed in 2013 we were a start-up with \$2m in revenue, and very little infrastructure in place to support efficient growth. With revenues of circa \$10m we are now seeing the benefits of past investment into our business.

While the operational performance of the business is much improved, we certainly require a greater focus on top-line revenue growth across our Australian, New Zealand and Southeast Asian markets, particularly in our peak trading periods. I'm confident we have the team in place and a strategy that will capitalise on the enormous opportunities in front of us.

More CEO comments in video

Further commentary from Mr Ryan on Snakk's first financial quarter and on what's coming up for the company can be viewed at <http://investors.snakkmedia.com/video/>. These videos are part of a regular series intended to complement the company's written shareholder updates, where the CEO expands on the information distributed today.

First quarter highlights

- **Evolving board:** Adding a new and fourth company director, with Martin Riegel appointed to the board in June, as part of the company's strategy to continue to evolve the board over the coming year. As mentioned in the Annual Report, Snakk intends to bring on new board talent with the industry experience and aspirations to build upon Snakk's existing markets and its entry into important new markets in Asia.
- **Technology:** Launching TV Sync in New Zealand, a unique market offering developed by Snakk that dynamically matches mobile ads with TV commercials.
- **Represent Media:** Several popular publishers signing Snakk's Represent Media as their mobile advertising sales agency, including Australia's Carsguide, Concrete Playground and Rdio Music Service, with Stay at Home Mum also utilising Snakk's native advertising technology platform.
- **International Recognition:** Named "Official Honoree" in the international 2015 Webby Awards for Snakk's creative work on a leading global game franchise title, Assassin's Creed by Ubisoft. The company received further global recognition in April for being "Best for Workers", with Snakk earning a top spot for creating some of the highest quality jobs for the second year running.

2015 AGM and #SnakkLive Reminder - 16 Sept, 2.30pm

A reminder to shareholders that the company's Annual General Meeting will be held at 2.30pm on 16 September at the Spark Lab, level 4 in the Seafarers Building in Britomart (52 Tyler Street).

Later that evening, at 5.30pm, the company will host an intimate gathering for a number of our customers and industry colleagues. Innovative brands such as BurgerFuel, Samsung, Uber and Villainesse will share their insights on how they are navigating through the rapidly evolving media landscape, what they've learned along the way and what they plan to do next. Numbers are strictly limited.

To register for the AGM and/or #SnakkLive please follow this link; <https://snakk-media-agm-2015.lilregie.com/>

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About Snakk Media Ltd

NZAX-listed Snakk Media helps brands find and reach consumers using apps, games and social media on their smartphones, tablets and other smart screens. The company generates revenue every time it successfully targets and delivers an ad across its networks of mobile websites, apps and games. The ads are targeted to ensure the right audiences see them at the right time and place.

Snakk is one of the first public companies in the world that has met the rigorous social and environmental performance standards required to become a certified B Corporation.