

SNK – MARKET UPDATE

25 February 2016

SNACK MARKET INFORMATION

Snakk announces Q3 net revenue growth

Southeast Asian rapid growth continues; Small quarterly profit of \$62k vs \$1.8m loss in prior year

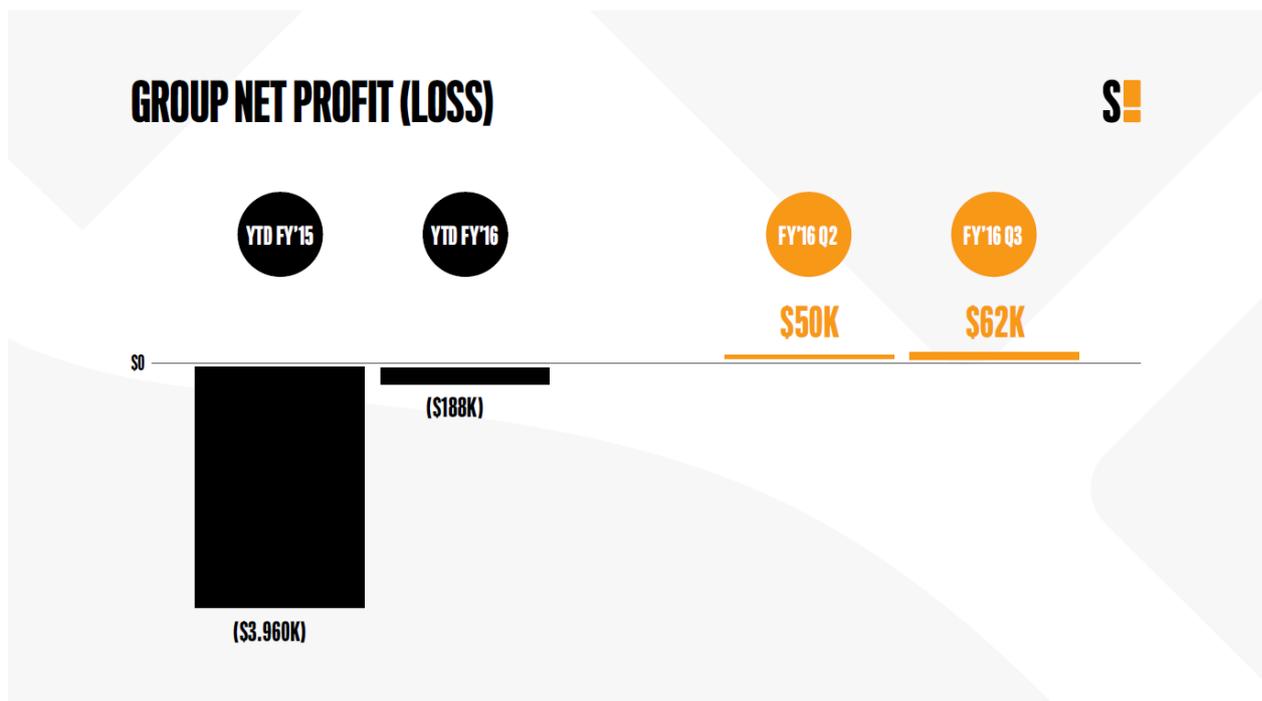
AUCKLAND, New Zealand, 25 February 2016 - Snakk Media Limited (NXT: SNK) is today announcing its third quarter unaudited net revenues of \$2,859,318 from 1 October to 31 Dec 2015, representing an 8% increase on the previous year's third quarter net revenues, excluding all rebates, of \$2,645,510.

In the year to date, total revenue from the first three quarters is \$7,440,175 from 1 April 2015 to 31 Dec 2015, representing an increase of 11% over the same period last year when the company's revenue was \$6,693,793.

Second consecutive EBITDA positive quarter

A positive trend of decreasing losses is evident with this being the third consecutive quarter where Snakk has reduced its losses by more than \$1m. A positive quarterly EBITDA of \$62,662 was recorded this quarter, whereas this time last year, the company's net loss after tax for the quarter was -\$1.77m.

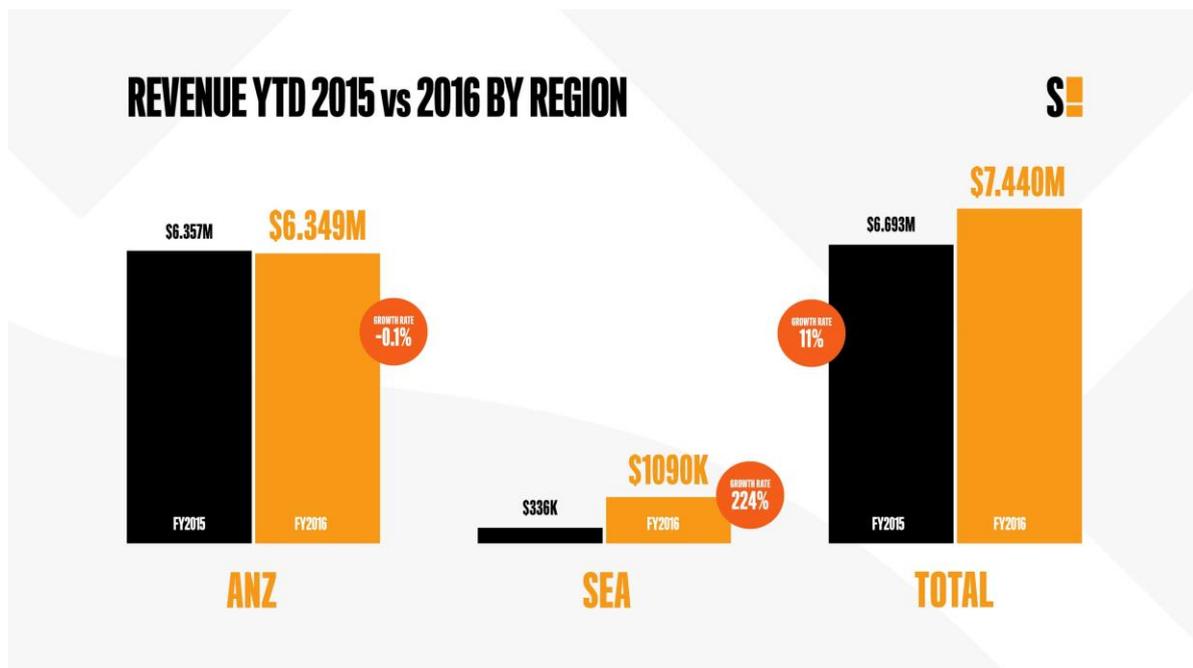
In the year to date, Snakk has made a significant improvement on its cost control and margin performance, recording a net loss of -\$188k, a sharp contrast when compared to the \$3.96m loss incurred for the first nine months ending December 2014. Snakk has \$3.2m cash and cash equivalents as of December 31 2015.



Regional View - Strongest growth from Southeast Asia

Snakk's next phase of growth continues to come from Southeast Asia, with \$400,000 of sales revenue generated in the third quarter, representing an increase of 60% over the same period last year.

For the first three quarters of the financial year, total year-on-year revenues in Southeast Asia increased by 224%, with \$1,090,000 generated from 1 April 2015 to 31 Dec 2015, up from \$336,000 during the corresponding period last year. As a result Southeast Asia accounts for 15% of the company's total revenue for the current financial year, up from 5% for the same period last year.



Snakk revenue in the third quarter included sales in Malaysia and the Philippines where Snakk worked with local agency partners to develop campaigns for premium brands including Sony, Philippine Airlines and Ikea. Represent Media, the Snakk Media division selling ad inventory for premium mobile and digital publishers, continued to add popular Southeast Asian titles to its stable, including streaming video service Cornflix (<http://cornflix.tv>) and movie guide app Popcorn (<http://popcorn.sg/>).

Further Q3 Highlights (1 October - 31 December 2015)

Capital raising

Snakk raised \$2.2 million from a share offer in October, including \$0.7 million of oversubscriptions. New retail and institutional investors contributed 22% of the total sum raised, with the funds raised allowing Snakk to continue executing on its growth plans in Australia, New Zealand and Southeast Asia.

NXT Market Migration, KOMs ahead of targets

The company migrated to the new NXT Market in November and provided Key Operating Milestones (KOM's), a new set of performance metrics aimed at providing a deeper level of detail and transparency for investors. In its recent Q3 Business Update Snakk's performance against forecast

Key Operating Measures (KOMs) were in line or ahead of its full year targets.

Group CEO Mark Ryan comments:

On the third quarter

“After several years of high-growth in Australia and New Zealand, we recognise our next major growth market is Southeast Asia. It is pleasing to see the efforts we have put into this market are starting to bear fruit, with 15% of the company’s total revenues now coming from this region for the financial year-to-date, up from 5% just a year ago.

“Securing our second consecutive quarter of modest profit performance is further proof that last financial year’s investments into our people, processes, technologies and internal systems have made Snakk a more efficient business today. We have reduced our financial year-to-date loss by almost \$4m compared to last financial year, which is a fantastic effort from the Snakk team.”

Looking ahead

“The fourth quarter is always a balancing act - protecting gross margins while closing ‘end of financial year’ deals to drive sales revenue. While there are more competitors vying for mobile advertising budgets, we’re quietly confident we’ll hold our own in Australia and New Zealand, and continue to grow strongly in Asia.

“Going forward, we will continue to invest in the areas that will accelerate our regional growth whilst remaining vigilant on gross margins and cost control. Our broader vision for Snakk Media remains positive, and we are confident we have the team in place and a future-focused strategy that will capitalise on the enormous market opportunities in front of us.”

Video of CEO commentary on Q3 results

A video featuring Snakk Media Group CEO Mark Ryan commenting on the key highlights for the quarter ending 31 December 2015 is available for viewing at <http://investors.snakkmedia.com/video/>.

ENDS

For media enquiries, please contact:

Julie Landry, +64 21 895 098, Julie.Landry@snakkmedia.com

For investor enquiries, please contact:

Heidi Aldred, Company Secretary, +61 410 802 992, investors@snakkmedia.com, www.snk.co.nz, www.twitter.com/snakkmedia

John Moore, Managing Director, Miro Capital Advisory, +64 9 213 3474, john@mirocapital.co.nz

About Snakk Media Ltd

Mobile advertising technology company Snakk Media offers a full suite of mobile creative, content and technology services, empowering the world’s leading brands and agencies to accurately reach and engage with consumers on their mobile devices. 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’s business units include Represent Media, a division that sells mobile ad inventory for premium publishers, and Touch Create, a mobile-first creative agency that complements Snakk’s portfolio of

audience-targeting, geo-location and native advertising technologies. Snakk recently announced an [exclusive technology](#) partnership with US mobile location provider UberMedia, spanning Australia, New Zealand and Southeast Asia.

Visit www.snk.co.nz for Investor information, and www.snakkmedia.com for Trade inquiries.