

SNK/ANNOUNCEMENTS

25 February 2016

CHAIR'S ADDRESS**Welcome to this Special meeting of Shareholders.**

This special meeting is part of the broader Capital Strategy Program Snakk is undertaking to provide the Company with the leadership, capital, shareholder base and market support it needs to continue its growth trajectory and expansion into Southeast Asia.

The steps we have already completed include:

- (a) refreshing and reinvigorating the Board, with my appointment as Chairman and the appointment of Martin Riegel and Rob Antulov as Independent Directors.
- (b) successful capital raising of \$2.2m (an increase from its original target of \$1.5m), providing the company with the capital it needs to take advantage of organic growth opportunities. It also allowed us to welcome new, supportive, large shareholders to our register.
- (c) transitioning our listing to the NXT Market – we are focused on providing ongoing, transparent benchmarks, in the form of Key Operating Milestones which are provided under the NXT Market Rules. In time, we believe that the NXT Market's other features of research and market making will benefit all shareholders.
- (d) Share consolidation, giving all holders one new share for every 20 shares held previously.

The planned next step is to launch a Share Sale Plan before the end of February subject to approval of the new constitution by shareholders at this meeting.

The relatively high brokerage costs compared to the value of a small parcel of Snakk shares makes it less attractive for small shareholders to sell their shares. This affects all shareholders as it reduces the liquidity of Snakk's shares. The Plan offers a cost effective method for small shareholders to dispose of small parcels of shares, as Snakk co-ordinates the sale of their shares and pays brokerage on their behalf. Under the Plan, Snakk will also allow those small shareholders who wish to continue to hold shares to "top up" their existing holdings.

The Share Sale Plan will benefit the Company by reducing the administrative costs resulting from the composition of Snakk's current share register.

The Share Sale Plan will give smaller shareholders, those who hold 1,000 shares or less, the chance to either sell their shares or increase their holdings in a cost-effective manner. At the same time, investors with larger shareholdings will also be given the

opportunity to buy more shares. The Company has a total of 3482 shareholders with 1858 holding less than a minimum holding of 500 shares. Of these 1297 hold less than 50 shares.

The rationale behind the resolutions to be considered today, is as follows:

Resolutions 1 & 2 – Issue of 50,000 Options to Mr Riegel and 100 000 Options to Mr Antulov.

The issue of options proposed will enable the Board to secure the long-term services of non-executive directors and align their interests with those of shareholders of Snakk through the issue of options.

The issue of Options to non-executive directors is very important in securing the services of suitably qualified individuals to act as non-executive directors for a growth company such as Snakk. It is anticipated that the issue of Options will also secure the long-term services of non-executive directors.

Rob Antulov was appointed to the Board in January 2016 as an Independent Non-Executive Director and currently holds no Options in Snakk.

Martin Riegel was appointed to the Board in June 2015 as an Independent Non-Executive Director. Mr Riegel currently holds 50,000 Options in Snakk. However, the Board is of the view that in light of the importance of securing Mr Riegel's ongoing services as a non-executive director, and his contribution to Snakk to date, the number of Options currently held by Mr Riegel is below market.

Resolution 3 – Issue of up to 310 000 Options to employees

The Board proposes to issue options to acquire ordinary shares in the Company to employees under the Snakk Media ESOP. It is not the intention to issue any of the proposed options to directors.

The issue of Options is an important and effective method of incentivising employees and aligning the interests of employees with shareholders.

Resolution 4

Snakk's constitution was last amended in 2011. Since 2011, Snakk has migrated to the NXT Market from the NZAX (on which it was initially listed) and a number of changes have been made to applicable New Zealand legislation, particularly the Companies Act 1993. This special resolution seeks shareholder approval to alter Snakk's constitution to make it consistent with that legislation and the NXT Market Rules.

As part of the new constitution the notice period for the compulsory sale of shares held by shareholders who hold less than a minimum holding will be changed from three months to four weeks. This proposed change to the constitution will support steps to further develop a strong, supportive shareholder base.

Snakk also seeks to take this opportunity to "future proof" the constitution for any

change in the markets on which it is listed by including provisions that would enable it to list on the NZX Main Board or the ASX without requiring further constitutional change. No such change in listing is currently planned, but if, and when, Snakk grows it may be appropriate to transition to the NZX Main Board and/or the ASX.

By amending the constitution now, Snakk will be able to accept electronic and postal votes from its shareholders at the 2016 Annual Meeting

Whilst Snakk received a waiver from the NXT Market Rules to enable it to change its constitution at its 2016 annual meeting, the Board believes that calling this special meeting now to approve the issue of options and the change in constitution will better position Snakk to focus on its core business.

ENDS

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