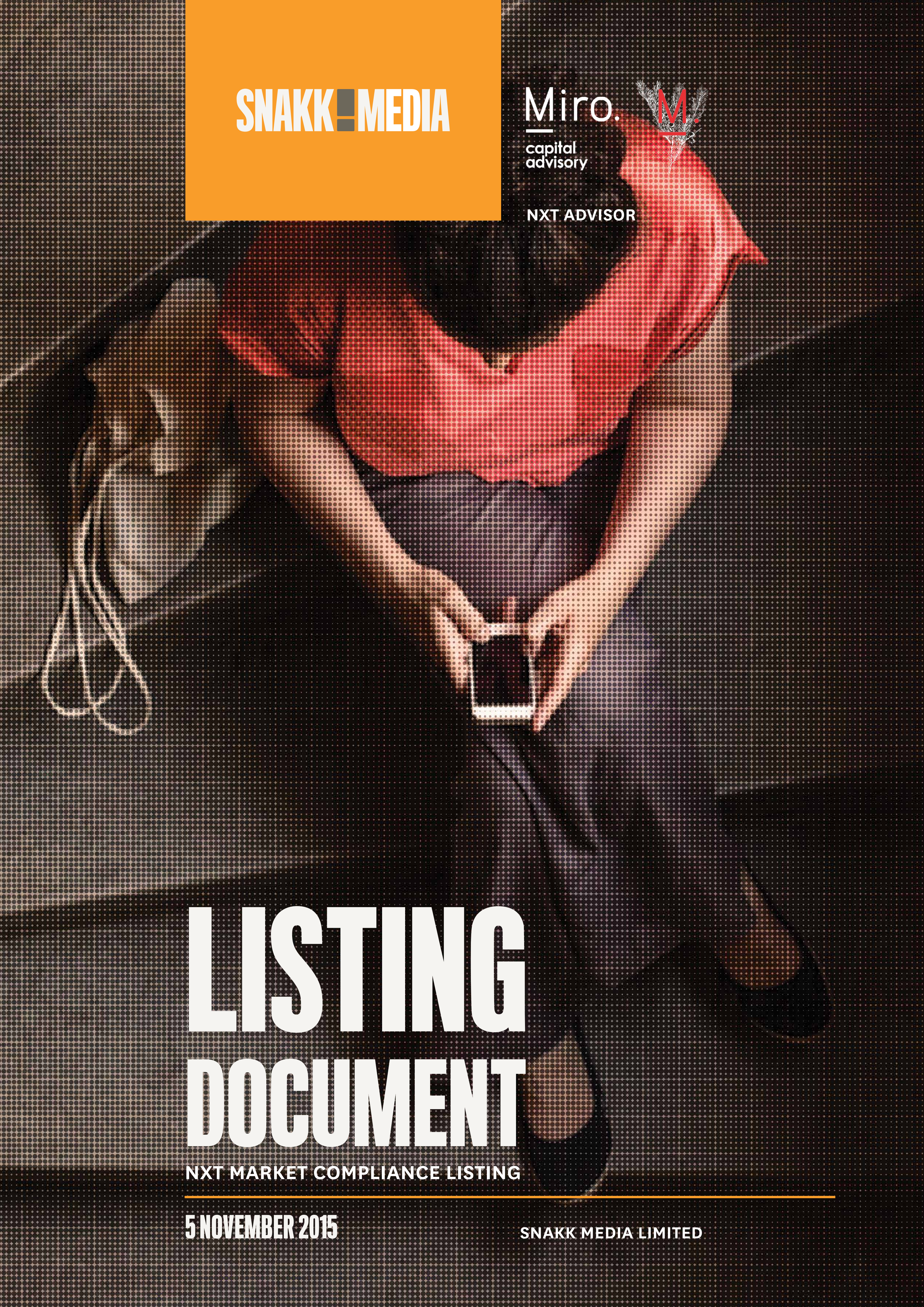


SNAKK MEDIA

Miro. capital advisory

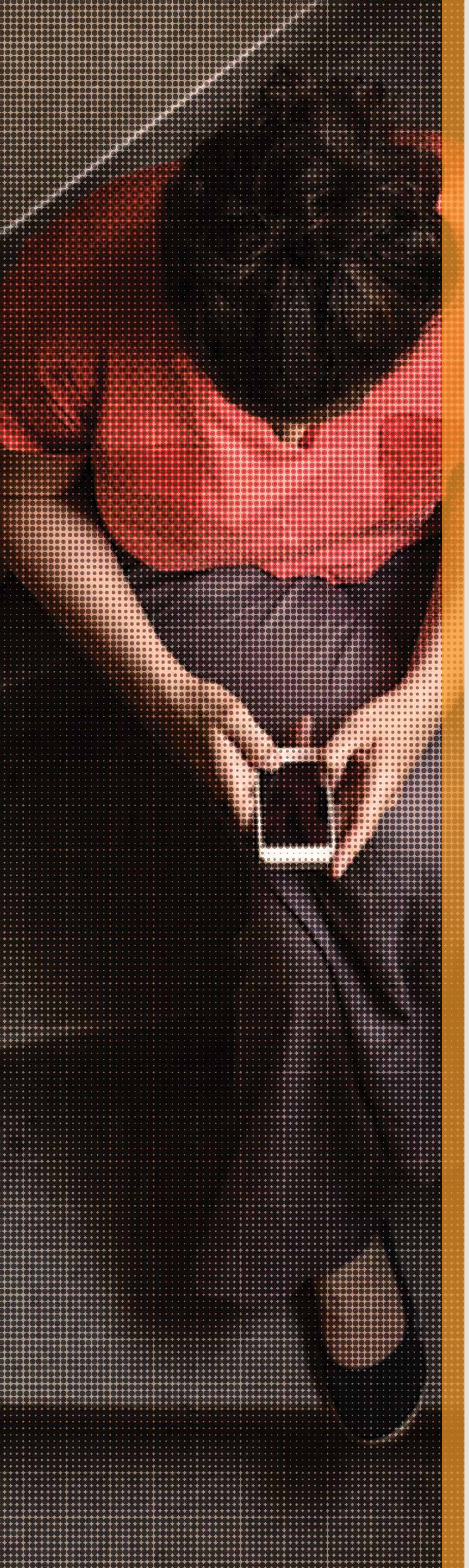
NXT ADVISOR

LISTING DOCUMENT

NXT MARKET COMPLIANCE LISTING

5 NOVEMBER 2015

SNAKK MEDIA LIMITED



WARNING

The NXT Market is a licensed market operated by NZX Limited that is designed for smaller companies that are typically at an earlier stage of business development and, accordingly, the risks of investing in companies listed on the NXT Market may be higher than the risks of investing in other companies.

Under the NXT Market Rules, NXT Market companies are required to immediately disclose information concerning specific events prescribed in the NXT Market Rules. However, it is possible that some price-sensitive information may not be required to be disclosed, and therefore you could trade on the NXT Market without the benefit of all price sensitive information in relation to a NXT Market company. The NXT Market Rules require NXT Market companies to have an insider trading policy and insider trading law applies to anyone trading on the NXT Market.

NZX has appointed market makers and research providers for the NXT Market. However, there is uncertainty as to the level of liquidity on the NXT Market, which may affect your ability to sell shares when you want to.

1. NXT MARKET LISTING

Snakk Media Limited ("Snakk") was listed on the alternative market operated by NZX Limited ("NZAX") in 2013.

NZX Limited ("NZX") has now launched the NXT market ("NXT Market"), focused on smaller, high growth companies, and further listings on the NZAX will no longer be accepted.

The NXT Market incorporates certain design features which are expected to enhance liquidity compared to the NZAX experience (or that of smaller companies listed on the NZX Main Board).

The NXT Market is also designed to reduce compliance costs for listed companies, while still providing investors in NXT Market companies with the information required to make appropriate investment decisions.

The Board of Snakk has therefore decided to migrate the listing of Snakk from the NZAX to the NXT Market ("the Migration") with effect on 5 November 2015.

This is a listing document prepared in accordance with the NXT Market Rules in conjunction with the Migration and, unless otherwise indicated, all information in this document is prepared as at 5 November 2015.

2. ABOUT SNAKK MEDIA

Snakk is committed to delivering innovative solutions in the planning, design and implementation of mobile advertising campaigns, connecting global premium advertisers with users of mobile apps and mobile websites.

OUR HISTORY

- Established in 2010
- FY 2011 gross revenue $0.56 million, FY 2015 gross revenue $9.86 million - a CAGR of 77.5% per annum
- Offices in Sydney, Melbourne, Brisbane, Auckland, Singapore
- Listed on the NZAX in 2013
- B Corp Certified in 2013
- Deloitte APAC Technology Fast 500 - 2013 & 2014
- Global Best For Workers Award – 2014 & 2015
- Webby Award Official Honoree - 2015
- APAC Mobile Marketing Association Finalists - 2014 & 2015

WHAT WE DO

Snakk's business is to develop and implement marketing campaigns that enable brands and advertising agencies to find and reach their customers who are using apps, games and social media on their smartphones, tablets and other mobile devices.

Snakk believes its marketing campaigns are attractive to advertisers because Snakk allows them to access data-driven mobile audience profiles, location targeting and award-winning creative. Snakk uses a range of leading mobile advertising technologies, resulting in highly-targeted campaigns that aim to reach the right group of mobile users, with the right interests, at the right time and place.

SNAKK'S PLACE IN THE MARKET

Major domestic and global brands wishing to advertise their products and services have traditionally employed a 'media agency' to help them determine when and where they should place their advertising across television, radio, print, outdoor and desktop (non-mobile) digital media channels. Media agencies have developed considerable expertise selling these types of media channels over a long period of time.

In the last few years, however, the adoption of smartphones and tablets has exploded globally. People use their mobile devices to research, price check and purchase products. They use millions of different mobile apps for business, fun and everything in between.

Brand advertisers need to connect with consumers on their mobile devices. They have to be strongly represented or risk losing their relevance to mobile users. This pressure is also being felt by online publishers, who have seen their audience shift rapidly from the desktop computer to mobile devices. They must convert these mobile audiences into revenue, and quickly.

This fast-evolving requirement to connect millions of mobile consumers with advertisers and publishers has created an enormous market opportunity for Snakk. Traditional media agencies are choosing to partner with cutting-edge mobile specialists such as Snakk. Snakk believes its combination of experience, mobile advertising technology, trading partnerships and talent is extremely difficult for new entrants to the mobile advertising market to replicate in a sustained way.

HOW SNAKK GETS PAID

Media agencies and brands engage and pay Snakk to develop the mobile advertising strategy, creative and technology that allows them to connect with mobile users. Snakk is paid every time it successfully targets and delivers a brand's ad across networks of mobile websites, apps and games.

More information about Snakk can be found on Snakk's website at www.snakkmedia.com and in the Offer Document for Snakk's recent capital raising dated 5 October 2015 which is available under Snakk's ticker code 'SNK' at www.nzx.com.

3. THE SNAKK TEAM

Snakk, including its subsidiaries, consists of a close-knit and highly motivated team of approximately 35 professionals. Snakk recognises that its people are a fundamental asset and the stability of that team, while Snakk pursues its high growth objectives, will be a fundamental factor in achieving success.

Snakk is focused on ensuring it provides the best possible working environment and culture for its team, with a goal of delivering on rewards and recognition that go beyond financial success.

In 2013, Snakk was one of the first publicly-listed companies in the world to meet the rigorous social and environmental performance standards required to become a certified B Corporation. For the second year running, in 2015 Snakk was named one of the world's 'Best for Workers' employers from amongst a 1,200 strong community of Certified B Corporations around the world.

Snakk recognises that it needs to attract and retain top talent. Snakk is undertaking a review of its current remuneration structure and incentive plans to ensure that these will support achievement of this goal. As part of this review, Snakk may seek to replace its current option plan for employees and directors.

BOARD OF DIRECTORS

PETER JAMES

Independent Chair

Peter has over 30 years' experience in the technology, telecommunications and media industries, and has extensive expertise as Chair, Non-Executive Director and Chief Executive Officer across a range of ASX-listed and private companies.

He is currently the Chair of Macquarie Telecom Ltd and until recently was non-Executive Director of iiNet Ltd. He is also Chair of a range of emerging digital media and technology businesses in Australia and the US. He has over 16 years' experience in CEO roles including ASX-listed media and communications company Adcorp Australia Ltd, Ainsworth Game Technology Ltd, and Computer Power Group Ltd.

Based in Sydney, Peter travels extensively reviewing innovation and consumer trends primarily in the US and Asia. He is a successful investor in a number of early-stage digital media and technology businesses in Australia and the US. This included the leading Australian group buying site JumpOnIt which was sold to US-based LivingSocial in 2012.

He also has a particular interest in building high performance, customer-focused teams and is one of the judges for the annual Aon Hewitt Best Employers program in Australia and New Zealand. He is a Fellow of the Australian Institute of Company Directors, a Member of the Australian Computer Society and holds a BA Degree with Majors in Computer Science and Business.

MARTIN RIEGEL

Independent Director

Martin is a Principal at Broadfield Advisory with a successful and diverse background working in technology and its commercialisation.

At Broadfield Martin is currently working with a number of New Zealand companies and government entities including as CEO/Director of UbiquiOS Technology, Chair of Aeronavics, Director of Cemplicity, Chair of Mixquake, Director of Broadbell Technologies, Director of Vizzybell, and with FarmIQ, Serato, Foster Moore and Callaghan Innovation.

Prior to founding Broadfield, Martin served as CEO at Biotelliga (sustainable biocontrols) and as COO/CFO at NextWindow, the global industry leader in optical touch screens. Martin helped NextWindow grow to over US$46m in revenue and to a well-structured, highly profitable and efficient enterprise. Martin played a lead role in engineering the sale and successful exit of NextWindow.

During his career Martin has raised approximately US$100m in debt and equity from venture capital, strategic investors, banks and other sources.

Martin has a BBA from the University of Notre Dame and an MBA from Indiana University.

MALCOLM LINDEQUE

Executive Director

With over 23 years' accounting and corporate governance experience across both public and private sector companies, Malcolm is highly skilled at leading finance teams in the implementation of effective governance models.

Malcolm qualified as an accountant in South Africa, working initially for Ernst & Young, before arriving in New Zealand in 2003. He is a member of the New Zealand Institute of Chartered Accountants and has held various roles as Group Financial Controller and Chief Financial Officer in both the public and private sectors in New Zealand.

Today, through his consulting business, The Virtual CFO, he works with a range of listed and private businesses assisting finance teams in delivering governance and financial reporting to the relevant stakeholders. As a company secretary for both NZX Main Board and NZAX listed companies, Malcolm has a thorough understanding of the NZX listing rules and is responsible for corporate governance initiatives.

He has worked in industries as diverse as financial services, forestry and manufacturing. Current and former NZX clients include Snakk Media Limited, Cooks Global Foods Limited and NZF Group Limited. Malcolm is currently the Acting CFO of Snakk while it searches for a full time financial controller.

SENIOR EXECUTIVE

The management team is led by Mark Ryan, Group CEO. A financial controller is being sought by Snakk and, eventually, Snakk expects to appoint a fulltime CFO.

MARK RYAN

Group CEO

With over 20 years' business management experience Mark has an enviable track record of achievement in executive roles across a mix of international, Asia-Pacific and Australian businesses. These organisations have included private and public information technology, professional services, advertising agencies and digital media companies.

A technology fan since 1983 when he sold his beloved motocross bike and bought a Commodore 64 computer, Mark has always had a knack for pulling things apart and putting them back together again so that they went faster. This skill has served him well in his professional life.

Mark's career has included a number of industry firsts; he was the first Chief Operating Officer for Ogilvy Australia, Australia's largest advertising agency. Prior to this Mark completed the agency restructure of Havas Australia and was made Chief Operating Officer, another newly-created role and a first for the Havas global network. He was the first 'digital business specialist' to move into a C-level role in the Australian arm of a global network advertising group. He has previously held executive roles at an ASX-listed enterprise software professional services company, and a NASDAQ-listed global e-commerce business.

He is the founder and a director of several successful companies, and has sat on registered charity boards and advisory boards for start-ups. A highly pragmatic and open management style has seen Mark succeed across a number of diverse and challenging roles. He commenced with Snakk Media Pty Limited in early 2012 as Executive Director before becoming Group CEO in April 2013.

DIRECTOR REMUNERATION

The maximum aggregate directors' fees have been set at a pool of NZD$320,000 per annum, allocated amongst the directors as follows:

Independent Chair:	AUD$70,000 per annum
Independent, non-executive director:	NZD$50,000 per annum

The pool includes allowance for NZD$50,000 to be paid to appoint an additional independent, non-executive director and approximately NZD$140,000 of additional fees available to be paid to directors who undertake additional committee work or other advisory work in excess of their ordinary duties as a director (such as in relation to the development of the business and significant transactions), at the discretion of the board. The amount of the additional fees available will be subject to fluctuations in the exchange rate, given some directors' remuneration is paid in Australian dollars. This level of remuneration is considered appropriate to attract and maintain directors of an appropriate level of expertise and experience.
The board is considering its composition and is likely to appoint further directors to complement its current composition. In the event that the board has more than three non-executive directors holding office, the directors may, without the authorisation of an ordinary resolution of shareholders, increase the maximum aggregate directors' fees by NZD$80,000 for each such additional director.

CORPORATE GOVERNANCE

Snakk has adopted a Corporate Governance Code, a Code of Ethics, an Audit, Finance and Risk Committee Charter, a Nominations and Remuneration Committee Charter and a Financial Products Trading Policy which are available to view on the NXT Market Website at: www.nxt.co.nz.

4. FINANCIAL INFORMATION AND KEY OPERATING MILESTONES

4.1 HISTORICAL FINANCIAL INFORMATION

The following table provides a summary of Snakk's financial performance for the first half, second half and full year for each of the financial years ended 31 March 2014 and 2015 and its financial condition as at those dates. This information is taken from audited financial statements that were prepared in compliance with generally accepted accounting practice in New Zealand ("GAAP"), apart from EBITDA. EBITDA is a non-GAAP measure that is calculated by adding back (or deducting) depreciation, amortisation, finance expense/(income) and taxation expense to Snakk's net earnings (or loss) from continuing operations. Snakk believes EBITDA provides useful information to readers to assist in the understanding of its financial information. The table also provides this information for the first quarter of the year ended 31 March 2016.

Summary Financial Information

	Six months ended		Year ended	Six months ended		Year ended	Three months ended
	30 September 2013	31 March 2014	31 March 2014	30 September 2014[1]	31 March 2015	31 March 2015	30 June 2015
	$	$	$	$	$	$	$
Net revenue	3,020,596	4,035,510	7,056,106	3,961,855	5,195,751	9,157,606	2,267,711
Direct Media Costs	(1,644,920)	(2,530,774)	(4,175,694)	(2,597,882)	(2,701,788)	(5,299,670)	(947,219)
Gross Margin	1,375,676	1,504,736	2,880,412	1,363,973	2,493,963	3,857,936	1,320,492
Gross margin %	46%	37%	41%	34%	48%	42%	58%
Loss after taxation	(837,652)	(1,053,787)	(1,891,439)	(2,190,691)	(1,833,698)	(4,024,389)	(394,802)
Net finance income	(69,618)	(103,677)	(173,295)	(28,084)	(111,584)	(139,668)	(16,676)
Taxation expense	-	-	-	-	-	-	-
Depreciation	6,524	8,025	14,549	8,460	17,433	25,893	9,669
EBITDA	**(900,746)**	**(1,149,439)**	**(2,050,185)**	**(2,210,315)**	**(1,927,849)**	**(4,138,164)**	**(401,809)**
Total Assets	**9,076,819**	**9,199,229**	**9,199,229**	**7,336,488**	**6,446,951**	**6,446,951**	**6,043,090**
Total Liabilities	2,260,343	2,909,440	2,909,440	3,044,779	3,912,048	3,912,048	3,840,873
Total interest bearing debt	-	-	-	-	-	-	-
Net cash flows from operating activities	(994,647)	(202,019)	(1,196,666)	(2,533,468)	(1,493,079)	(4,026,547)	(114,000)

[1] Net revenue amounts have been restated to include a rebate charge of $86,428 to provide more meaningful comparison and do not correspond to the 2014 interim report.

Snakk has undergone significant changes over the last two financial years as it has responded to the pace of change in the mobile advertising market. Snakk focussed on revenue growth in FY14 and FY15 to establish scale, market position and reach breakeven as quickly as possible, delivering 29.8% growth in revenue from FY14 to FY15. To achieve this growth, Snakk invested heavily in FY15 to build a strong team. In the short term, this had an adverse impact on the FY15 result, increasing the net loss of the company. However, the improvements in the team continued to deliver revenue growth in Q1 FY16, with significant improvements in margins. In fact, the gains achieved in revenue growth and margin improvement have allowed Snakk to expand its focus into margin optimisation and campaign performance with pleasing results.

THE GAINS ACHIEVED AND MARGIN IMPROVEMENT HAVE ALLOWED SNAKK TO EXPAND ITS FOCUS INTO MARGIN OPTIMISATION AND CAMPAIGN PERFORMANCE WITH PLEASING RESULTS.

In the year to date, Snakk has continued to grow its revenue, significantly improve its margins and at the same time improve the performance of its campaigns for customers. Snakk has achieved this by focusing on leveraging leading edge mobile ad technologies, building the capability of its people and understanding customer needs, and driving the campaign engagement with the customer to achieve those needs.

As the cash flow figures and cash balances show, the cash "burn" rate of the business has significantly improved with Q1 FY16 delivering the lowest burn rate in the history of Snakk.

4.2

KEY OPERATING MILESTONES

Snakk believes there are four Key Operating Milestones which, taken together, can be used by investors to assess its performance. Of the four Key Operating Milestones:

- One (Click-Through Rate ("CTR")) is a measure used by Snakk and its customers to assess the effectiveness of online advertising campaigns – maintaining this at higher than industry benchmarks will help ensure Snakk continues to win new business and assist existing campaigns to generate as much revenue for Snakk as possible.
- Two and three (Gross Margin and Compensation Ratio) are measures of Snakk's operational efficiency, focused on maximising the profitability generated from Snakk's revenues.
- Four (Staff Turnover) is a measure of team stability – with people so integral to Snakk's business performance, management is focused on ensuring as much team stability as possible. Higher turnover can cost the business through both the costs of replacing and training key team members as well as through lost revenue due to refreshing customer relationships.

The following table shows the actual performance of Snakk in relation to the Key Operating Milestones for each of the years ended 31 March 2014 and 2015, as well as targets for those Key Operating Milestones for the years ended 31 March 2016 and 2017.

Key Operating Milestones

Year ended 31 March	2014 Actual	2015 Actual	2016 Target	2017 Target
Click-Through Rate	0.70%	0.90%	**0.95%**	**1.00%**
Gross Margin	41%	42%	**55%**	**55%**
Compensation Ratio	33%	44%	**45%**	**42%**
Staff Turnover	14%	19%	**22%**	**24%**

The key assumptions relating to the Key Operating Milestone targets in the above table are:

- The information relates to Snakk as at 2 October 2015. It is assumed that no acquisitions are made by Snakk during the period for which the Key Operating Milestone targets are provided above.
- The industry average for click through rate remains at approximately 0.62% (2014 industry average according to H1-2014 Medialets Mobile & Tablet Advertising Benchmarks) and Snakk continues to identify and utilise advertising technology that allows it to achieve click-through rates that exceed the industry average.
- Snakk's product pricing and the price it pays for advertising inventory does not increase materially from what it has paid in Q1 FY16.
- Snakk will continue to purchase the majority of its advertising inventory in US dollars and the exchange rates for Australian dollars to US dollars and US dollars to New Zealand dollars do not adversely change materially from current levels.
- The proportion of Snakk's staff located outside Australia will increase as its revenue and presence in other markets grow.

One-off costs will be taken into account by Snakk when it reports against the Key Operating Milestones: however, ratios may be adjusted if such one-off costs are significant and/or unforeseen. The information about Snakk's targets for the Key Operating Milestones should be read together with the risk factors in *Section 5: Risks to the Business and to Snakk's Plans*, as these could affect the assumptions on which these targets are based.

CLICK-THROUGH RATE

Click-Through Rate is the number of clicks on a mobile page or app advertisement divided by the number of times the advertisement is shown (impressions) as a percentage.

CTR is the current industry-standard measure of how successful an ad has been in capturing users' interest. The higher the CTR, the more successful the ad has been in generating interest. A high CTR can help a mobile publisher support the site or app through advertising revenues. It is also a strong indicator of the success of a mobile campaign, as more people have interacted with the campaign by clicking on its advertisements.

When a company produces mobile campaigns that deliver CTRs that are constantly in excess of its competitors or accepted benchmarks, the likelihood of securing future campaign bookings is markedly increased. Research suggests that Internet users are increasingly becoming "desensitized" to ads on mobile sites and apps. As a result it is imperative that acceptable CTRs are maintained and grown to keep advertiser and publisher confidence in the company's offerings.

Snakk's strategy is to identify and then utilise innovative mobile consumer targeting technologies to identify those whom are most likely to be receptive to the advertising message being delivered. When this degree of mobile consumer targeting is combined with award-winning mobile creative capabilities, the CTR is maintained or grown on a per campaign basis. The industry average is 0.62% and Snakk has forecast that it will continue to consistently achieve CTRs that exceed the industry average. Snakk measures its CTR through its internal ad-serving platforms and then correlates that information with third party publisher data.

It is calculated as follows:

$$\text{CLICK-THROUGH RATE \%} = \frac{\text{CLICKS}}{\text{IMPRESSIONS}} \text{ X 100}$$

GROSS MARGIN

Gross margin is the percentage of total revenue that Snakk retains after incurring the direct costs associated with producing services sold (Direct Media Costs).

Maintaining and growing Gross Margin allows a higher percent of revenues to be spent on other business operations, such as R&D, technology, marketing and expansion into new markets / territories. As the company grows, a stable Gross Margin will drive the delivery of positive EBITDA. Direct Media Costs are the costs of the advertising inventory that Snakk onsells to its clients.

Snakk's strategy to maintain and grow Gross Margin includes:

- utilising increasingly sophisticated and efficient technologies to purchase advertising inventory cost-effectively without compromising quality; and
- maintaining premium product pricing by delivering strong results for advertisers, combined with product offerings that are underpinned by unique and innovative ad technologies.

It is calculated as follows:

$$\text{GROSS MARGIN \%} = \frac{\text{TOTAL REVENUE LESS DIRECT MEDIA COSTS}}{\text{TOTAL REVENUE}}$$

COMPENSATION TO REVENUE RATIO

Compensation to revenue ratio is the percentage of permanent full-time employee salaries within Snakk's operating divisions compared to total revenue.

The company's main cost outside of Direct Media Costs (being the costs of the advertising inventory that Snakk onsells to its clients) is staff salaries across its various divisions, particularly sales, marketing and management. Measuring the relationship between revenue and compensation figures within a period provides a method to monitor how well the business is utilising its human resources to generate revenues.

The efficiency or scale of a labour force increases as the labour-to-revenue ratio decreases, which is why a lower ratio is better for the company. Comparing the ratio against the company's historical records can show if the labour force efficiency is deteriorating, improving or being maintained at the same level over a period of time.

Snakk's strategy is to lower the Compensation to Revenue Ratio over time using a combination of the following:

- automating current manual and people-driven processes;
- remunerating staff in innovative and progressive ways;
- utilising technologies to drive operational efficiencies;
- managing staff headcount closely if revenue growth is too slow or other market conditions change in an adverse way; and
- increasing the proportion of staff located outside Australia.

It is calculated as follows:

$$\text{COMPENSATION TO REVENUE RATIO \%} = \frac{\text{TOTAL PERMANENT FULL-TIME EMPLOYEES SALARIES}}{\text{TOTAL REVENUE}}$$

STAFF TURNOVER

Staff turnover is the percentage of permanent full-time employees that voluntarily leave the company compared to the total permanent full-time employees.

While the general employment market in Australia experiences staff turnover of approximately 15% per annum, the Media Federation of Australia recently reported that in media agencies the 2014 average was over 33% per annum. The battle for talent is particularly fierce in the mobile sector, where an extremely limited supply of expertise is rapidly driving up agency salaries, compounding the issues associated with staff turnover.

Recent media agency research out of the UK suggests that, as well as the disruption caused when staff depart, the considerable length of time taken and cost to identify and hire a replacement, it can also take up to 20 weeks for a replacement to fully get to grips with the job. It is calculated that the cost of replacing a middle manager can be up to 150 percent of their annual salary. For senior managers, the figure can be between 200 and 400 percent.

In a small fast-growing company, with highly specialised skills required, high levels of staff turnover represent a significant threat to its ability to conduct business. Snakk's strategy is to maintain a lower than industry average turnover rate by fostering a strong workplace culture, clearly defining roles and responsibilities, continuing its adherence to B Corporation worker philosophies and remunerating staff in innovative and progressive ways.

It is calculated as follows:

$$\text{STAFF TURNOVER \%} = \frac{\text{TOTAL PERMANENT FULL-TIME EMPLOYEES DEPARTED VOLUNTARILY}}{\text{TOTAL PERMANENT FULL-TIME EMPLOYEES}}$$

NXT market disclosure obligations

Issuers on the NZX Main Board and NZAX equity securities markets are subject to a continuous disclosure obligation, requiring those issuers to notify the market forthwith of any information which could affect the market price of a given issuer's traded securities.

As an issuer listed on the NXT Market, Snakk is not subject to continuous disclosure requirements but will instead be subject to an alternative disclosure regime, requiring it to provide interim updates to the market upon occurrence of certain triggering events. If Snakk becomes aware of the matters set out in Schedule 5A to the NXT Market Rules, it must immediately release an interim update containing details and the expected impact of the matter on Snakk. Circumstances triggering an interim update include (but are not limited to):

- where Snakk's operational performance will vary or is likely to vary by 10% or more from a target set in relation to any of its Key Operating Milestones;
- Snakk entering into a "significant transaction" which could include where assets are acquired or disposed of having a value which is greater than Snakk's net tangible asset backing (as published in its most recent financial statements) or exceeding 10% of Snakk's average market capitalization;
- all issues or acquisitions of equity securities or any decision to subdivide or consolidate equity securities, to amend terms or to grant options in respect of such securities; and
- any material adjustment to its most recent preliminary announcement.

Under the NXT Market Rules, Snakk will be required to immediately disclose information concerning specific events prescribed in the NXT Market Rules. However, it is possible that some price-sensitive information may not be required to be disclosed, and therefore you could trade on the NXT Market without the benefit of all price-sensitive information in relation to Snakk.

After due enquiry, the directors of Snakk are of the opinion that the Key Operating Milestones, taken together, address the most significant factors by which the performance of Snakk's business should be assessed and monitored and that, by reporting against the Key Operating Milestones in this document, as required by the NXT Market Rules, Snakk will provide understandable reporting for shareholders. The directors confirm that Miro Capital Advisory Limited, the NXT Advisor, has declared to NZX that the Key Operating Milestones in this document meet the NXT standard under the NXT Market Rules.

The Key Operating Milestones and targets for Snakk may change over time. Snakk will review the Key Operating Milestones annually. Any restatement of the Key Operating Milestones and any resetting of the annual targets will be disclosed in a business update in accordance with the NXT Market Rules.

5.
RISKS TO THE BUSINESS AND TO SNAKK'S PLANS

Any investment in the share market has risks associated with it, and this investment is no exception. Risks specific to Snakk, and other general market risks, are set out in this section. These risks, if they were to occur, could materially adversely affect Snakk's financial position or performance through loss of assets, reduced revenue, increased costs, loss of customers and suppliers, damage to reputation or a combination of these factors. These could reduce or eliminate the value of your shares or the returns on them.

You should consider such risk factors together with the other information in this document.

The risk factors set out below are not the only ones Snakk faces. There may be additional risk factors of which Snakk is currently unaware, or that Snakk currently deems immaterial but which may subsequently become key risk factors for Snakk.

Increased Competition

The mobile advertising industry in which Snakk operates is highly competitive and Snakk is likely to face increasing pricing pressure in its key offerings and/or lose market share as a result of existing providers or new entrants seeking to grow their own mobile advertising businesses. The anticipated rapid growth in the mobile advertising market will naturally attract an increasing number of new providers. As a result, the intensifying levels of competition in Snakk's key markets may lead to revenue or margin erosion across any or all of Snakk's product and service offerings over the medium to long term.

International Expansion

Snakk has recently started expanding its operations into a number of international markets to fuel growth. Market dynamics vary considerably across different jurisdictions as a result of differing consumer behaviour, macroeconomic environments, competitive landscapes and regulatory considerations, amongst other things. There is a risk that Snakk will not be able to replicate the success of its domestic operations in the international markets that it enters, although results in FY15 show international revenues are building.

Start-up and going concern

Snakk is a growth technology business and an investment in Snakk carries a higher degree of risk when compared with a more mature and profitable business. Snakk was listed in 2013 as a small start-up, and it is only recently that its current business model, including international expansion as discussed above, has been developed. As such, it may not suit the investment profile of all investors. Snakk is not expected to pay a dividend for the foreseeable future.

Snakk's audit report for the year ended 31 March 2015 was unqualified. However, Snakk's auditors did include an emphasis of matter in relation to the going concern assumption made by Snakk. The auditors noted that the validity of the going concern assumption was dependent on Snakk's ability to achieve budgeted revenues and gross margins, finalising a financing agreement and continued support from Snakk's shareholders. If Snakk does not achieve budgeted revenues and gross margins, finalise a financing agreement or enjoy continued support from its shareholders, it may be unable to continue as a going concern which would have a material adverse effect on its financial position and performance.

As noted above, one of the assumptions made by Snakk is that it will enjoy continued support from its shareholders. If Snakk is unable to find alternative sources of funding, Snakk's cashflow and ability to implement its strategy may be adversely affected.

Strategic Technology Partnerships

Snakk is reliant on strategic distribution relationships with key technology partnerships, primarily with vendors from the US. Where at all possible these partnerships are on an exclusive or preferred distribution basis, and cover territories including Australia, New Zealand and Southeast Asia. These strategic relationships are subject to various risks that could adversely affect Snakk. These risks include the following:

- Snakk's interests could diverge from its partners or Snakk may not be able to agree with partners on ongoing operational activities, or on the timing, or exclusive nature of further partnership terms;
- the partners may choose to establish their own distribution entities in our markets;
- changes in tax, legal, or regulatory requirements may necessitate changes in the agreements with Snakk's partners; and
- the partners may cease their trading operations.

If Snakk's strategic relationships are unsuccessful, its business, operational results, and financial condition may be materially adversely affected.

Technological Advancements

Snakk's core value proposition lies in the functionality and flexibility of its software platforms, technology partnerships and associated product offerings. The industry in which Snakk operates is highly competitive and is subject to the introduction of new and improved products and services into the market on a regular basis. The introduction of mobile ad-blocking technologies, while still nascent, may also adversely affect the mobile advertising industry as a whole. As such, Snakk is at risk of losing its competitive appeal if it does not adequately invest in product development, partnerships and overall enhancing of its capabilities.

Key personnel and staff turnover

The responsibility for Snakk's day-to-day operations and implementing Snakk's strategic initiatives is substantially dependent upon its key personnel. If one, or a number of, these employees leave the company it may have a detrimental impact on Snakk. In addition, Snakk has a highly skilled workforce. If staff turnover is higher than forecast, this could have a detrimental impact on Snakk's business due to the difficultly in replacing such employees.

Changes in inventory pricing

Snakk purchases its advertising inventory from third party suppliers and is exposed to changes in the price at which it makes these purchases, as Snakk is mainly a price taker in this market rather than a price setter. Snakk may be unable to pass on any changes in the price at which it purchases advertising inventory to its customers, which could have a negative impact on Snakk's gross margins. If this occurs, Snakk's financial performance could be materially adversely affected.

Credit risk

Snakk's customers could default on their payment obligations to Snakk. In such situations Snakk would generally have provided its services to customers prior to the default becoming evident, which could make the recovery of costs difficult. Snakk's financial performance and position could be adversely affected if it suffers higher than anticipated levels of customer default.

An additional risk faced by Snakk relates to rebate and other arrangements it has with customers where Snakk owes those customers money. Snakk endeavours to manage the level of its exposure to customers so that the amount owed by Snakk to a customer is relatively similar to the amount owed by the customer to Snakk. If Snakk is unable to set off the amount it owes to customers against the amount they owe Snakk, it may have a negative impact on Snakk's cashflows.

Global Downturn

Adverse economic conditions can reduce demand for services that require Snakk's products and capability, resulting in decreases in average selling prices and overall sales. A deterioration of current conditions in global credit markets could limit Snakk's ability to obtain external financing to fund its operations. In addition, Snakk may experience losses on its holdings of cash and investments due to failures of financial institutions and other parties. Difficult economic conditions may also result in a higher rate of loss on accounts receivables due to credit defaults.

Currency Fluctuations

The currencies Snakk trades in are varied, including Australian dollars, US dollars and Singapore dollars. Changes in the value of these currencies relative to the New Zealand dollar affects Snakk's financial performance. The principal area of risk relates to purchases in US dollars by Snakk's Australian subsidiary.

Snakk does not currently hedge any of its exposure to US dollars or Australian dollars, however, this is an area that the board continues to keep under review. There is no guarantee that any hedging arrangements would eliminate the risk to Snakk's financial performance from currency fluctuations, but if conducted appropriately such arrangements may assist in mitigating such risk.

6. FURTHER INFORMATION ABOUT SNAKK

Financial statements

Copies of Snakk's financial statements are available under Snakk's ticker code 'SNK' at www.nzx.com and on Snakk's website at www.snakkmedia.com.

Annual Report

A copy of Snakk's most recent annual report and each of its previous annual reports since it listed on the NZAX are available under Snakk's ticker code 'SNK' at www.nzx.com and on Snakk's website at www.snakkmedia.com.

NZAX Announcements

All announcements released by Snakk under its ticker code 'SNK' on the NZAX can be accessed on Snakk's website at www.snakkmedia.com.

Waivers from the NXT Market Rules

Snakk has been granted a waiver by NZX from NXT Market Rule 24, which requires Snakk's constitution to comply with the NXT Market Rules upon Migration, until its 2016 annual meeting of shareholders. Snakk will have to comply with the NXT Market Rules, but will avoid the cost and expense of having to call a special shareholder meeting to approve the changes to its constitution to include a requirement to comply with the NXT Market Rules.

This waiver was granted on the condition that Snakk:

- provides NZX with the notice of meeting for its 2016 annual meeting of shareholders for review and that notice of meeting includes a special resolution to amend Snakk's constitution so that it complies with Rule 24;
- clearly and prominently discloses the waiver, its conditions and the implications in the pre break announcement released on 5 October 2015 and and this document; and
- provides a written undertaking to NZX Regulation that, until Snakk adopts a constitution that contains all of the provisions required by the NXT Market Rules, Snakk will comply with the NXT Market Rules as if the applicable provisions in Rule 24 were contained in the constitution.

Snakk has also been granted a waiver by NZX from Rule 25 of the NXT Market Rules to allow participants in the "Snakk Media Limited Employee Share Option Plan" who have been issued options under that plan prior to the Migration to be issued ordinary shares in Snakk upon the exercise of those options without requiring compliance with Rule 25. If Snakk remains listed on the NZAX, Snakk may issue shares on the exercise of such options without any restrictions under the NZAX Listing Rules. Therefore, the granting of the waiver does not have a detrimental effect on shareholders as it simply puts Snakk, its shareholders and the optionholders back in the position that applied prior to the Migration.

This waiver was granted on the condition that:

- Snakk clearly and prominently discloses the waiver, its conditions, and the implications in the pre break announcement released on 5 October 2015 and this document;
- on or before the Migration, the directors of Snakk certify to NZX Regulation, in a form acceptable to NZX Regulation, that the issue of shares to directors and employees, in accordance with the terms of the 'Snakk Media Limited Employee Share Option Plan', is:

  - in the best interests of Snakk; and

  - on terms and conditions which are fair and reasonable to Snakk and to all shareholders who are not receiving, and not associated with persons receiving, shares under the issue; and
- disclose the number of options on issue, the conversion requirements and the effect of conversion in this document.

Dividend Policy

Snakk's board currently has no intention to declare dividends in the foreseeable future as the focus of the business is to reinvest all profits derived from the business back into the business as part of Snakk's growth strategy.

Securities on issue

Snakk has 314,228,796 ordinary shares on issue and there are currently 25,919,673 options on issue to directors or employees of Snakk. The options represent 8.249% of the ordinary shares on issue and convert into ordinary shares on a one for one basis. Under the terms of Snakk's option plan, the options become exercisable once they have vested and cease to be exercisable after the earlier of 60 calendar months from the date of issue of the relevant options or 90 days from the optionholder ceasing to be an employee or director of Snakk. Vesting occurs in three equal tranches on the one year, two year and three year anniversary of the date of issue of the relevant options.

Substantial Product Holders

As at 30 October 2015, the following persons are substantial product holders of Snakk. The number and percentage of shares set out below are taken from the relevant substantial product holder notices given to Snakk and NZX.

Shareholder	Nature of relevant interest	Number of shares	Percentage of shares
Far East Associated Traders Limited	Registered holder and beneficial owner	40,772,634	15.378%
Snakk Media Limited	Power to control the disposition of the shares held by Far East Associated Traders Limited pursuant to a restricted security agreement	40,772,634	15.378%

Far East Associated Traders Limited, a company associated with Derek Handley, has agreed not to sell or otherwise dispose of or do or omit to do anything which could have the effect of transferring effective ownership or control of any shares it held as at 5 October 2015 until after 31 December 2016, subject to certain limited exceptions.

Board's confirmation

As the time at which this document is provided to NZX for release to the NXT Market, the board of directors of Snakk confirm that they are of the opinion that all material information in relation to Snakk is included in this document or has been released to the market over the Market Announcement Platform under Snakk's disclosure requirements as an NZAX listed company.

DIRECTORY

DIRECTORS OF SNAKK MEDIA LIMITED

Peter James
Malcolm Lindeque
Martin Riegel

SNAKK MEDIA LIMITED

Level 6
57 Symonds Street, Grafton
Auckland 1010, New Zealand
Telephone: +64 21 993 243
Email: investors@snakkmedia.com
Website: www.snakkmedia.com

NXT ADVISOR

Miro Capital Advisory Limited
PO Box 10261, Dominion Road
Auckland 1446
Telephone: +64 9 213 3474
Email: info@mirocapital.co.nz

LEGAL ADVISORS

Chapman Tripp
Level 35, ANZ Centre
23-29 Albert Street
Auckland 1010, New Zealand

REGISTRAR

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand
Telephone: +64 9 488 8777
Facsimile: +64 9 488 8787