2017 Annual Meeting of Shareholders

Chair Welcome

Opening Address

Following the 2016 year in which the Company was focussed on consolidation, establishing good processes and governance the 2017 financial year was focussed on implementing the Company's growth strategy to best position the business for the future.

As previously shared with you this strategy is based on our broad vision to develop and source innovative mobile advertising products while expanding our reach to new clients, services and markets to deliver value to our clients, shareholders and employees. As outlined to shareholders at the time, the $2.2 million capital raising completed in early 2016 sourced the necessary funds for this growth strategy.

We believed that in order for the Company to deliver on its vision, remain viable and meet the challenges of the complex and innovative mobile advertising industry the business needed to grow rapidly and diversify the product range. The previous Board had also considered various growth strategies to address this. High among the challenges faced by the Company is the increasing use of programmatic advertising. Programmatic advertising removes the traditional sales led approach and enables advertisers to access audience inventory directly. In addition, the last few years has seen the rapid growth of Google and Facebook. These global giants now dominate the global mobile advertising spend and are increasingly spreading themselves over multiple parts of the ecosystem in which Snakk Media seeks to do business.

To meet the challenges and to take advantage of the opportunities in a rapidly evolving market, investment was made in a number of areas, including recruiting sales, strategy, data and technology staff to accelerate our growth in our existing markets. To further support this growth, leadership talent was engaged to manage the increasingly sophisticated structure of the business. Another important area of focus was the strengthening and development of key partnerships with leading mobile advertising and marketing technologies in Australia and New Zealand. As a result of the investment, the Company has launched new offerings, such as the “Self service” business and has solidified its position with UberMedia as its exclusive partner in the Asia Pacific.

Notwithstanding the strategic imperative for Snakk’s investment strategy, it became clear during FY 2017 that the returns from the growth strategy were taking longer than anticipated. Accordingly the Board and management have spent considerable time restructuring the business to better align costs with revenues, while ensuring that key technology offerings such as Self Service and the Uber based systems, are preserved.

As part of the release of our full year results we announced that we had appointed an advisory firm Allunga Advisory, to assist us in identifying and considering capital strategy options. This work is aimed at assisting the Company achieve the size it needs in order to achieve its vision. That work remains in progress, however it is not yet at a stage where we can share any outcomes of this work with shareholders. We look forward to sharing these with you at the appropriate time.

As you may know in June 2017, the NZX announced it was commencing a formal consultation process to review the structure of NZX's current equity markets and that the NZX has indicated that a likely outcome of the Consultation Process is the consolidation of all of NZX's key equity markets, NZX Main Board, NZAX and the NXT Market into a single board. We have been disappointed with the failure of the NXT market to deliver the expected benefits for small cap companies such as Snakk Media and welcome the review.

NZX has stated that its aim is that any board consolidation following the Consultation Process is as efficient and cost neutral as possible for companies like Snakk. We welcome this focus from NZX on ensuring that the outcome of the consultation is both light on cost and additional regulatory burdens.

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