Interim Report
For the six months ended 30 September 2017

Snakk Media Limited

Contents

Chief Executive Commentary

Provided below is commentary on the six months results for the period ending 30 September 2017.

Revenue was $5,330,677, representing year-on-year growth of 13.27%. Cash in bank at the end of September 2017 was $0.5m.

Year-on-year the net loss after tax for the six months ended 30 September 2017 decreased from -$1.87m to -$0.6m.

The increase in revenue is primarily as a result of the self-service product that was introduced October 2016. Self-service accounted for $935k of revenue in the six months to 30 September 2017. Australia and New Zealand managed services revenue was approximately the same whilst Southeast Asia managed services revenue was lower. Snakk is currently concentrating only on the Australian and New Zealand markets for managed services and all markets with self-service.

Expenses have been reduced by approximately $1.2m (24.5%) as a result of successfully implementing a re-structure in Q1 the full benefits of which started to be realized from June 2017. Operating expenses continue to be tightly managed whilst ensuring our customer facing and service delivery capabilities are maintained.

Snakk's core business is the provision of highly targeted geo and audience based managed service in-app advertising supported by mobile creative on the Snakk Media Audience and other platforms. The data analytics capability that Snakk has developed supports the managed services product range. Snakk also provides a programmatic geo mobile self-service platform for customers who wish to manage their own advertising campaigns on UberMedia via Snakk. This self-service offering complements Snakk's managed service offering.

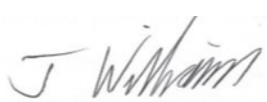
The mobile advertising market is highly competitive and volatile. Increasingly shorter sales cycles lead to revenue fluctuations and uncertainty. The supply side is dominated by a handful of major global companies and is subject to structural change. Snakk competes against the major global companies by focusing on differentiated niche products and services - although there are competitors offering similar products and services – and by expanding its distribution channels.

As announced on 30 June 2017 Snakk appointed an advisory firm to help identify and consider strategic capital options. Snakk continues to explore capital and structural options with the assistance of the advisor.

Snakk's level of working capital remains relatively low. Snakk's management and board closely monitor and manage its working capital and associated cash flow.

Snakk's primary technology partner is UberMedia. The UberMedia platform that powers the majority of Snakk's revenue is a leading edge advertising technology and positions Snakk well to continue providing differentiated in-app products and services. One of the most trusted mobile authorities, UberMedia continues to work closely with Snakk as UberMedia's supplier in the region.

Thank you



Joel Williams

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2017

	Note	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Advertising fee revenue		5,330,677	4,706,095	10,625,915
Direct media costs		(2,205,699)	(1,712,626)	(4,277,592)
		3,124,978	**2,993,469**	**6,348,323**
Other income		3,539	35,973	113,053
Finance income		2,107	5,757	10,764
Finance costs		(67,563)	(34,671)	(92,398)
Net finance income		**(65,456)**	**(28,914)**	**(81,634)**
Expenses				
Depreciation		(15,947)	(18,346)	(44,953)
Employee benefits		(2,333,639)	(2,759,708)	(5,810,717)
Marketing and advertising		(11,336)	(140,810)	(154,326)
Other expenses		(1,318,937)	(1,954,160)	(3,544,172)
Total expenses		**(3,679,859)**	**(4,873,024)**	**(9,554,168)**
Loss before taxation		**(616,798)**	**(1,872,496)**	**(3,174,426)**
Income tax expense		-	-	-
Loss after taxation attributable to the shareholders		**(616,798)**	**(1,872,496)**	**(3,174,426)**
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Change in foreign currency translation reserve		(9,738)	(17,287)	(44,922)
Other comprehensive income after tax		**(9,738)**	**(17,287)**	**(44,922)**
Total comprehensive income for the year attributable to the shareholders		**(626,536)**	**(1,889,783)**	**(3,219,348)**
Loss per share:				
Basic loss per share (New Zealand Dollars):	4	(3.82)	(11.92)	(20.20)
Diluted loss per share (New Zealand Dollars):	4	(3.82)	(11.92)	(20.20)

The notes on the attached pages form part of and are to be read in conjunction with these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2017

	Note	Share Capital	Share options reserve	Foreign currency translation reserve	Accumulated Losses	Total Equity
		$	$	$	$	$
Balance at 31 March 2016		12.419,643	927,691	(21,548)	(9,529,680)	3,796,106
Comprehensive loss for the period						
Loss for the period		-	-	-	(1,872,496)	(1,872,496)
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss						
Change in foreign currency translation reserve		-	-	(17,287)	-	(17,287)
Total comprehensive loss for the period		-	-	(17,287)	(1,872,496)	(1,889,783)
Transactions with owners of the Company						
Share-based payment transactions	3	-	149,710	-	-	149,710
Total transactions with owners of the Company		-	149,710	-	-	149,710
Balance as at 30 September 2016 (unaudited)		12,419,643	1,077,401	(38,835)	(11,402,176)	2,056,033
Balance at 31 March 2016		12,419,643	927,691	(21,548)	(9,529,680)	3,796,106
Comprehensive loss for the year						
Loss for the year		-	-	-	(3,174,426)	(3,174,426)
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss						
Change in foreign currency translation reserve		-	-	(44,922)	-	(44,922)
Total comprehensive loss for the year		-	-	(44,922)	(3,174,426)	(3,219,348)
Transactions with owners of the Company						
Options forfeited	3	-	(510,723)	-	510,723	-
Share-based payment transactions	3	-	227,113	-	-	227,113
Total transactions with owners of the Company		-	(283,610)	-	510,723	227,113
Balance at 31 March 2017		12,419,643	644,081	(66,470)	(12,193,383)	803,871
Comprehensive loss for the period						
Loss for the period		-	-	-	(616,798)	(616,798)
Other comprehensive income						
Items that may be subsequently reclassified to profit or loss						
Change in foreign currency translation reserve		-	-	(9,738)	-	(9,738)
Total comprehensive loss for the period		-	-	(9,738)	(616,798)	(626,536)
Transactions with owners of the Company						
Shares issued	3	110,000	-	-	-	110,000
Share issue expense	3	(1,536)	-	-	-	(1,536)
Options forfeited	3	-	(94,599)	-	94,599	-
Share-based payment transactions	3	-	62,147	-	-	62,147
Total transactions with owners of the Company		108,464	(32,452)	-	94,599	170,611
Balance as at 30 September 2017 (unaudited)		**12,528,107**	**611,629**	**(76,208)**	**(12,715,582)**	**347,946**

The notes on the attached pages form part of and are to be read in conjunction with these financial statements.

Snakk Media Limited

Condensed Consolidated Statement of Financial Position

As at 30 September 2017

	Note	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Equity				
Share capital	3	12,528,107	12,419,643	12,419,643
Share option reserve	3	611,629	1,077,401	644,081
Accumulated losses		(12,715,582)	(11,402,176)	(12,193,383)
Foreign currency translation reserve		(76,208)	(38,835)	(66,470)
Total equity		**347,946**	**2,056,033**	**803,871**
Current liabilities				
Trade and other payables		2,696,746	3,100,656	3,008,618
Total current liabilities		**2,696,746**	**3,100,656**	**3,008,618**
Total liabilities		**2,696,746**	**3,100,656**	**3,008,618**
Total equity and liabilities		**3,044,692**	**5,156,689**	**3,812,489**
Assets				
Current assets				
Cash and cash equivalents		512,433	1,577,491	566,287
Trade and other receivables		2,447,527	3,346,008	3,130,637
Taxation receivable		123	108,226	14,783
Total current assets		**2,960,083**	**5,031,725**	**3,711,707**
Non-current assets				
Property, plant and equipment		54,571	94,926	70,744
Financial assets at fair value through profit or loss	7	30,038	30,038	30,038
Total non-current assets		**84,609**	**124,964**	**100,782**
Total assets		**3,044,692**	**5,156,689**	**3,812,489**

For and on behalf of the Board:

Peter James
Director
30 November 2017

Director
30 November 2017

The notes on the attached pages form part of and are to be read in conjunction with these financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2017

	Note	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Operating activities				
Cash was provided from:				
Receipts from customers		**6,531,136**	**5,866,313**	**12,167,240**
Cash was applied to:				
Payments to suppliers & employees		(6,628,016)	(7,256,407)	(14,478,723)
Interest paid		(67,563)	-	(92,398)
Net cash applied to operating activities	5	**(164,443)**	**(1,390,094)**	**(2,403,881)**
Investing activities				
Cash was provided from:				
Finance income		2,107	5,757	10,764
Cash was applied to:				
Purchase of property, plant and equipment		-	(55,447)	(75,547)
Disposals of property, plant and equipment		-	-	17,676
Net cash from/(applied) to investing activities		**2,107**	**(49,690)**	**(47,107)**
Financing activities				
Cash was provided from:				
Net proceeds from share issue		108,482	**-**	**-**
Net cash provided from financing activities		**108,482**	**-**	**-**
Net increase/(decrease) in cash and cash equivalents held		**(53,854)**	**(1,439,784)**	**(2,450,988)**
Cash & cash equivalents at beginning of the year		566,287	3,017,275	3,017,275
Cash & cash equivalents at end of the period/year		**512,433**	**1,577,491**	**566,287**
Composition of cash and cash equivalents:				
Bank balances		**512,433**	**1,577,491**	**566,287**

The notes on the attached pages form part of and are to be read in conjunction with these financial statements.

1) Corporate information

Snakk Media Limited is a limited liability Company (the "Company") domiciled and incorporated in New Zealand and registered under the New Zealand Companies Act 1993. The company is designated as profit-oriented entity and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013. The Company is listed on the NXT which is a licensed market operated by the New Zealand Stock Exchange.

These statements were approved by the Board of Directors on 30 November 2017.

2) Basis of presentation and accounting policies

The unaudited consolidated condensed interim financial statements presented are for Snakk Media Limited and its subsidiaries (together "the Group") for the six months ended 30 September 2017. The financial statements are presented in New Zealand dollars.

The interim financial statements for the six months ended 30 September 2017 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and NZ IAS 34 Interim Financial Reporting. In complying with NZ IAS 34, these interim financial statements also comply with IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements of Snakk Media Limited and its Subsidiaries for the year ended 31 March 2017 which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

All significant accounting policies and methods of computation have been applied on a basis consistent with those used in the audited financial statements of Snakk Media Limited and its Subsidiaries for the year ended 31 March 2017. The Group is not subject to significant seasonality. The carrying value of all financial assets and liabilities is a reasonable approximation of their fair value.

To ensure consistency with audited figures, 30 September 2016 comparatives have been regrouped where appropriate.

Going concern

The Group reported a loss of $616,798 (2016: loss of $1,872,496) and operating cash outflows of $164,443 (2016: loss of $1,390,094) for the six months ended 30 September 2017. As at 30 September 2017 the Group has reported total assets of $3,044,692 and total liabilities of $2,696,746.

These financial statements have been prepared using the going concern assumption.

The considered view of the Board of Directors of the Company is that, after making enquiries, we have a reasonable expectation that Snakk Media Limited (the Company) and Group has access to adequate resources to continue operations for the foreseeable future. For this reason, the Board of Directors considers the adoption of the going concern assumption in preparing the financial statements for the half-year ended 30 September 2017 to be appropriate.

The Board of Directors has reached this conclusion having regard to circumstances which it considers likely to affect the Group during the period of at least one year from November 2017, and to circumstances which it considers will occur after that date which will affect the validity of the going concern assumption. The key considerations are set out below:

- Achieving the planned managed-service revenue growth:
  - in the Victorian and Queensland markets where Snakk was under represented and;
  - with incremental growth in the more established NSW and New Zealand markets.

- Achieving continued growth of the self-service business introduced in October 2016 including expanding the self-service customer base in all markets;
- Maintaining an acceptable gross profit margin through sales pricing and inventory purchasing, and;
- Achieving the anticipated cost saving benefits of the Group's recent restructure.

The Board of Directors has reviewed the operating and cash flow forecasts prepared by management that covers a period of at least one year from November 2017. The directors have obtained sufficient satisfaction to believe that during this period there will be adequate cash flows generated from operating activities available to meet the cash flow requirements of the Company and Group. The key assumptions made in preparing these forecasts are as follows:

- The forecasts for managed-services and self-service are realised;
- Gross profit margins will remain stable except as a result of the planned change in product service mix to an increased proportion of self-service compared to managed-services or as part of securing longer term revenue agreements with acceptable returns. Self-service has a lower gross profit margin than managed-services but lower operating costs to fulfil;
- The retention of key management;
- The exclusive distribution agreement with the key supplier is retained;
- Key customers are retained;
- The agreed favorable trading terms with key suppliers and creditors is maintained.
- The Group will continue to collect trade debts in a timely manner;
- Economic conditions in one or more regions do not change in a manner which impact advertising revenues;
- The competitive landscape of the advertising industry does not materially change;
- There are no structural changes in the advertising industry impacting the Group's existing relationships and service offering, and;
- There are no changes in technology which impact on advertiser behavior reducing the level of advertising spend directed to managed or self-services in-app advertising.

The financial statements do not include any adjustments that would result if the Company and Group was unable to continue as a going concern.

3) Share Capital and Other Equity Instruments

Issued and Paid Up Capital

All shares issued are ordinary shares with no par value and rank equally with one vote attached to each fully paid share.

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Issued and paid up capital:			
Balance at the start of the year	12,419,643	12,419,643	12,419,643
Ordinary shares issued during the period/year	110,000	-	-
Share issues expenses	(1,536)	-	-
Balance at end of period	**12,528,107**	**12,419,643**	**12,419,643**

	No. of Shares
Movement in ordinary shares	
Company	
Balance 1 April 2016 and 30 September 2016	**15,712,242**
Balance 31 March 2017	**15,712,242**
Movements during the period	
550,000 shares issued at $0.20 each on 5 May 2017	550,000
Balance at 30 September 2017	**16,262,242**

Share Option Reserve

The share option reserve is used to record the accumulated value of unexercised share options and unvested shares rights which have been recognised in the Statement of Comprehensive Income. As at 30 September 2017, executives and directors have options over 742,925 shares (31 March 2017: 791,162; 30 September 2016: 1,254,685 shares).

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Balance at the start of the period/year	644,081	927,691	927,691
Share based payment	62,147	149,710	227,113
Options forfeited	(94,599)	-	(510,723)
Balance at end of period/year	**611,629**	**1,077,401**	**644,081**

Dividends

No dividends were declared or paid during the period ended 30 September 2017 (period ended 30 September 2016: Nil; year ended 31 March 2017: Nil).

4) Loss per Share

The loss of $616,798 (30 September 2016: $1,872,496; 31 March 2017: $3,174,426) for the period represented a loss per share shown below based on the weighted average number of ordinary shares on issue during the period. As share options would have an anti-dilutive impact on the loss per share the basic and diluted loss per share are the same.

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Loss after taxation attributable to the shareholders	(616,798)	(1,872,496)	(3,174,426)
Weighted average ordinary shares issued	16,157,051	15,712,242	15,712,242
Weighted average dilutive options issued	-	-	-
Basic loss per share (cents)	(3.82)	(11.92)	(20.20)
Diluted loss per share (cents)	(3.82)	(11.92)	(20.20)

5) Reconciliation of Operating Cash Flows

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Loss after tax	**(616,798)**	**(1,872,496)**	**(3,174,426)**
Items classified as investing/financing			
Interest received	(2,107)	(5,757)	(10,764)
Add non-cash items:			
Depreciation	15,947	18,346	44,953
Share based payment expense	62,147	149,710	227,113
Impairment of trade receivables	(80)	-	(17,129)
Foreign currency reserve movement	(9,738)	-	(44,922)
Add/(Less) movements in working capital:			
Trade and other receivables	714,551	1,124,259	1,356,758
Trade and other payables	(343,025)	(804,142)	(878,893)
Taxation receivable	14,660	(14)	93,429
Net cash flow applied to operating activities	**(164,443)**	**(1,390,094)**	**(2,403,881)**

6) Segment Information

(A) Operating Segment

The Group is organised into one operating segment, that being the provision of mobile phone enabled promotions and marketing services. The Group primarily provides only information on operating segment revenue to Directors on a regular basis. The Group's operating revenue allocation by region is based on the geographical location of the external customer. The Group operates principally in Australia.

(B) Geographic Segments

	Unaudited 6 months ended 30 September 2017			
	Australia	**New Zealand**	**Singapore**	**Total**
	$	**$**	**$**	**$**
Operating revenue	4,423,328	732,519	174,830	**5,330,677**

	Unaudited 6 months ended 30 September 2016			
	Australia	**New Zealand**	**Singapore**	**Total**
	$	**$**	**$**	**$**
Operating revenue	3,551,681	618,821	535,593	**4,706,095**

	Audited 12 months ended 31 March 2017			
	Australia	**New Zealand**	**Singapore**	**Total**
	$	**$**	**$**	**$**
Operating revenue	7,984,312	1,436,624	1,204,979	**10,625,915**

7) Financial Assets at Fair Value through Profit or Loss

All unlisted securities are classified as level 3 of the fair value hierarchy.

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Unlisted securities			
Moasis Global LLC Convertible Units – US	30,038	30,038	30,038
	30,038	**30,038**	**30,038**

Moasis Global LLC ("Moasis") is a limited liability company registered in Delaware, United States of America. Moasis has developed a digital system that delivers advertisements on smart phones and other mobile devices to consumers within a defined geographic area selected by the advertiser. The Company subscribed for 65,500 Class A Membership units at USD$1.53 per unit in February 2014. The fair value of this investment may be affected by future movements in the pricing of units offered by Moasis Global LLC in addition to any foreign exchange movements between the US dollar and NZ dollar. At 30 March 2016, the fair value of the units was based on discounted enterprise value to annual revenue multiple. At 31 March 2017 and 30 September 2017, fair value of this investment has been carried forward from prior year as we have been unable to obtain further information about the investments.

Under the terms of the Class A membership units the Company is not entitled to any interest but are entitled to a “priority return” equal to 8% of the unit holding issued in cash or equity, and a pro rata share on a pari passu basis in distributions made to Class B Members. No priority return or distribution was received in the period ended 30 September 2017 (period ended 30 September 2016: nil; year ended 31 March 2017: nil).

8) Net Tangible Assets per Share

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
No. of ordinary shares issued	16,262,242	15,712,242	15,712,242
Total assets	3,044,692	5,156,689	3,812,489
Total Liabilities	2,696,746	3,100,656	3,008,618
Net tangible assets	347,946	2,056,033	803,871
Net tangible assets per share (Cents)	**2.14**	**13.09**	**5.12**

9) Related Party Transactions

Derek Handley is a director of Aera Limited. Derek provided executive services to the Company through Aera Limited. Derek resigned as a Director on 31 October 2015.

Really Useful Crew Pty Ltd, has provided development services in the production of websites. Mark Ryan is a Director of Really Useful Crew who stepped down as CEO of Snakk Media Pty Limited on 22 December 2016.

Malcolm Lindeque entered into a service agreement with the Company pursuant to which he agreed to provide certain financial management and operational services to the Company and its subsidiaries at an agreed rate through Sharp Acumen Limited. Malcolm Lindeque is a director of Sharp Acumen Limited. Malcolm Lindeque was appointed as a Director of Snakk Media Limited on 8 May 2015 and resigned on 14 January 2016.

Martin Riegel is a Director of Broadfield Advisory Limited and Independent Director of Snakk Limited. Martin Riegel's director fees and expense reimbursements are invoiced by Broadfield Advisory Limited.

	Unaudited 6 months ended 30 September 2017 $	Unaudited 6 months ended 30 September 2016 $	Audited 12 months ended 31 March 2017 $
Transactions with related parties			
Aera Limited	-	-	46,690
Really Useful Crew Pty Ltd	-	4,507	19,156
Sharp Acumen Limited (trading as The Virtual CFO)	-	7,329	-
Broadfield Advisory Limited	35,000	40,346	79,874
	35,000	52,182	145,720
Related party payables			
Derek Handley	-	4,480	4,713
Broadfield Advisory Limited	30,794	7,818	9,847
	30,794	12,298	14,560

Director payments*

	Salary & fees	Share-based payments	Salary & fees	Share-based payments	Salary & fees	Share-based payments
R Antulov – appointed 14 January 2016	37,576	2,916	35,962	6,804	72,418	11,016
P James – appointed 1 September 2015	72,641	46,942	69,738	103,270	140,213	159,600
M Riegel – appointed 12 June 2015	35,000	8,448	40,346	19,352	70,091	29,556
	145,217	58,306	146,046	129,426	282,722	200,172

*** -** The Directors elected to defer payment of a portion of their salary and fees of $96,855 for the six months ended 30 September 2017 to assist in managing the cash flow of the company.

10) Commitments & Contingencies

On 17 May 2017, the Group received a capital contribution call from potential investee entity totalling USD105,000 pursuant to subscription agreement dated 18 July 2014. The directors do not believe that the Group is liable for the capital call and are considering the Group's response including options to avoid funding the call altogether.

There are no other material contingent liabilities at 30 September 2017 (30 September 2016: Nil; 31 March 2017: Nil).

11) Subsequent Events

There have been no events subsequent to reporting date which have a material effect on these financial statements.

Company Directory

Registered Office

Level 6
57 Symonds Street
Grafton
Auckland, 1010

Company Number

3202682

Incorporated

24 November 2010

Postal Address

Snakk Media Limited
P.O. Box 147206
Ponsonby, 1144
New Zealand

Shares Issued

16,262,242 Ordinary shares

Share Registrar

Computershare Investor Services Limited
Private Bag 92119, Auckland
Phone: 09 488 8700

Solicitors

Chapman Tripp
P.O. Box 2206, Auckland City
Auckland 1140

Auditor

Staples Rodway
Tower Centre, 45 Queen Street
Auckland, 1010

Bankers

BNZ Bank Limited
80 Queen Street, Auckland, 1010

Board of Directors

M Riegel - Appointed 12 June 2015
P James - Appointed 1 September 2015
R Antulov - Appointed 14 January 2016

Independent Directors

Peter James
Martin Riegel
Rob Antulov