

TAGLICH BROTHERS

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Final Research Report

Investors should consider this report as only a single factor in making their investment decision.

SITO Mobile Ltd.

Dropping Coverage

John Nobile
May 11, 2017

SITO \$3.93 — (NASDAQ)

	2015A*	2016A*
Revenues (millions)	\$12.8	\$29.4
Earnings (loss) per share	(\$0.28)	(\$0.07)

52-Week range	\$6.08 – \$1.71	Fiscal year ends:	December
Common shares out as of April 14, 2017	20.7 million	Revenue per share (2016)	\$1.61
Approximate float	12.5 million	Price/Sales (2016)	2.4X
Market capitalization	\$81 million	Price/Sales (FY2017)E	NA
Tangible book value/share (2016)	\$0.38	Price/Earnings (2016)	NMF
Price/tangible book value (2016)	10.3X	Price/Earnings (FY2017)E	NA

*Reflects discontinued operations of SITO's SMS (Wireless Applications) business. 2015 figures are restated.

SITO Mobile Ltd., headquartered in Jersey City, New Jersey, is a mobile media technology company that enables marketers to create mobile device content targeted to audiences based on location, interests, behaviors, and loyalty. The company's principal product includes location based advertising. (www.sitomobile.com)

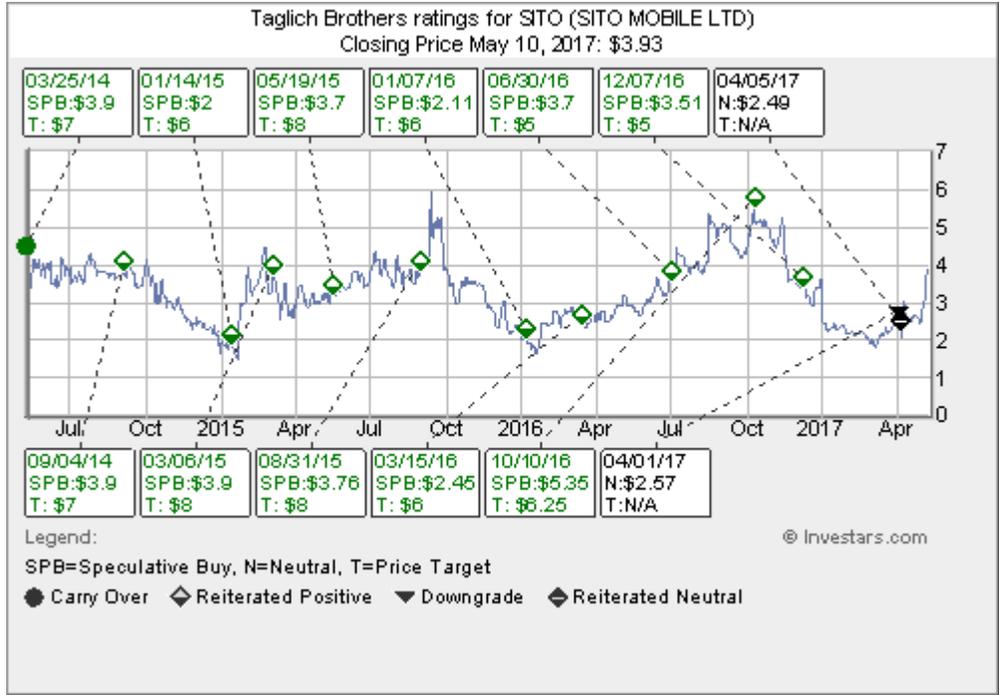
Key investment considerations:

Dropping coverage due to diminished investor interest.

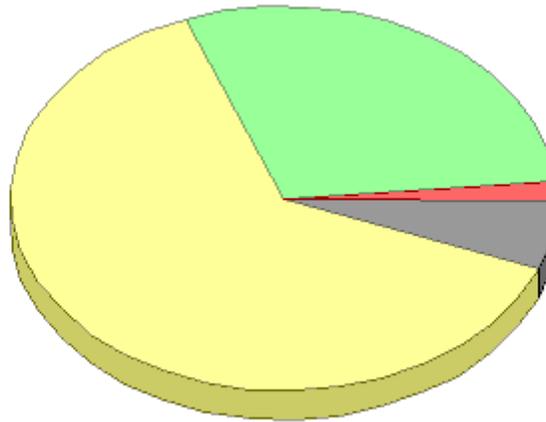
SITO reported (5/3/17) 1Q17 revenue increased 33% to \$6.6 million and a loss \$(0.15) per share. 1Q17 gross profit of \$3.4 million was up from \$2.6 million in 1Q16 while gross margin dropped to 52% from 53%.

**Please view our disclosures on pages 2 - 4.*

Price Chart



Taglich Brothers' Current Ratings Distribution



■ 29.41 % Buy ■ 63.24 % Hold ■ 5.88 % Not Rated ■ 1.47 % Sell

Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	3	13
Hold	2	50
Sell		
Not Rated		

Important Disclosures

As of the date of this report, Doug Hailey, Director of Investment Banking at Taglich Brothers, Inc., owns or has a controlling interest in 4,500 shares of SITO restricted common stock. Robert Schroeder, Vice President of Investment Banking at Taglich Brothers, Inc. owns or has a controlling interest in 8,780 shares of SITO restricted common stock. Richard Oh, Managing Director of Taglich Brothers, Inc., owns or has a controlling interest in 3,000 shares of SITO common stock. Other employees at Taglich Brothers, Inc. also own or have controlling interests in 3,400 shares of SITO restricted common stock. Taglich Brothers, Inc. had an investment banking relationship with the company mentioned in this report. In September 2012 and October 2012, Taglich Brothers Inc. served as the exclusive placement agent in private placements of SITO convertible debt and warrants.

All research issued by Taglich Brothers, Inc. is based on public information. SITO Mobile Ltd. does not pay Taglich Brothers, Inc. for the creation and dissemination of research reports.

General Disclosures

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Analyst Certification

I, John Nobile, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be, directly, or indirectly, related to the specific recommendations or views contained in this report.

Public companies mentioned in this report:

Meaning of Ratings

Buy – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

Speculative Buy – Long term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

Neutral – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

Sell – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

Dropping Coverage – Research coverage discontinued due to the acquisition of the company, termination of research services, non-payment for such services, diminished investor interest, or departure of the analyst.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.