

SNK – FLLYR PRELIMINARY RESULTS

31 May 2016

Snakk's full year revenue shows strong growth in Asia

Loss reduced by 86% YOY off the back of new products, improved margins and tight cost control

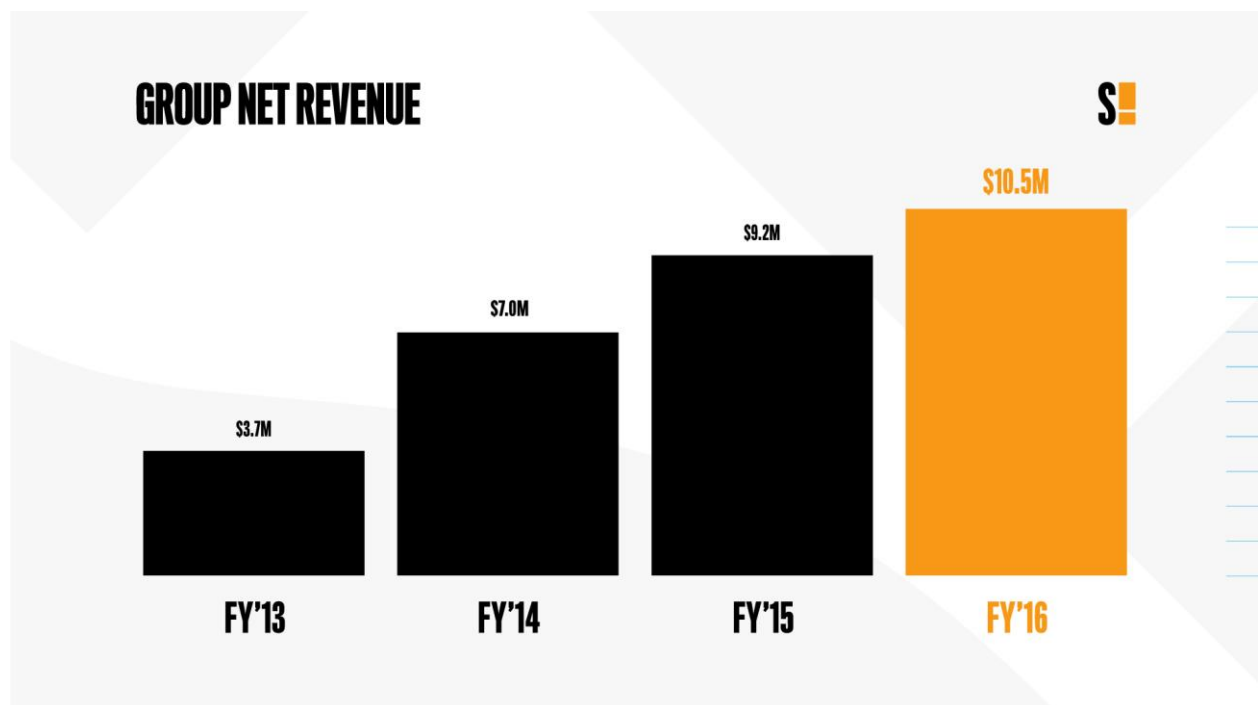
AUCKLAND, New Zealand, 31 May 2016 – Today specialist mobile advertising company Snakk Media (NXT: SNK) is announcing its unaudited preliminary financial results, with net revenues (after rebates) from 1 April 2015 to 31 March 2016 increasing 15% year-on-year, to NZD \$10,522,000 from \$9,157,606.

Fourth quarter includes record-breaking March revenue

Snakk capped off the financial year with strong growth for the fourth quarter, with net revenues from January to March 2016 at \$3,063,836.

March delivered the highest net revenue month for the year with a company record \$1,627,576. This month included a significant campaign in Malaysia, the largest delivered in the company's history.

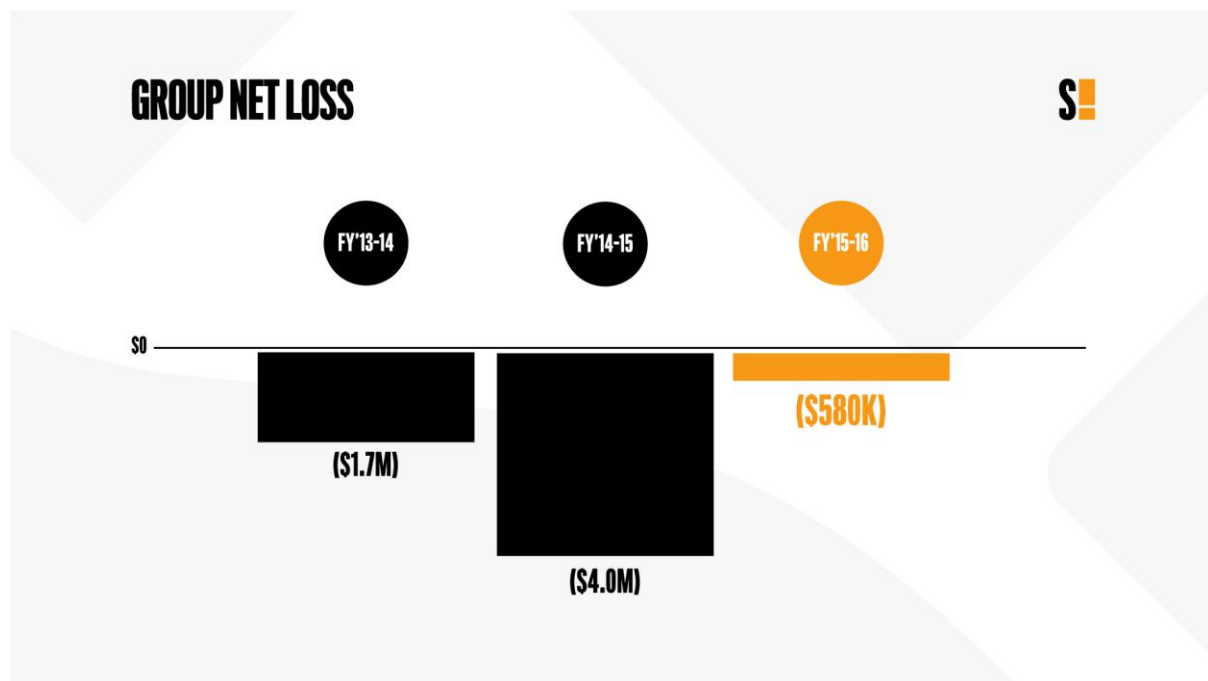
An update for Snakk's Q4 and full year Key Operating Milestones was [shared on 29 April 2016](#) as per NXT Market listing requirements.



Business Highlights for the 2016 Financial Year

Losses reduced by 86% YOY

Net losses were notably reduced for the financial year, to \$580k compared to last financial year's loss of over \$4.0m. Non-cash expensing of staff options amounted to \$172k, resulting in an actual cash usage loss of \$408k for the financial year. As a result of this reduction in cash usage, and the successful capital raising in late 2015, the company's cash reserves at the end of the financial year were NZD \$2.9m.

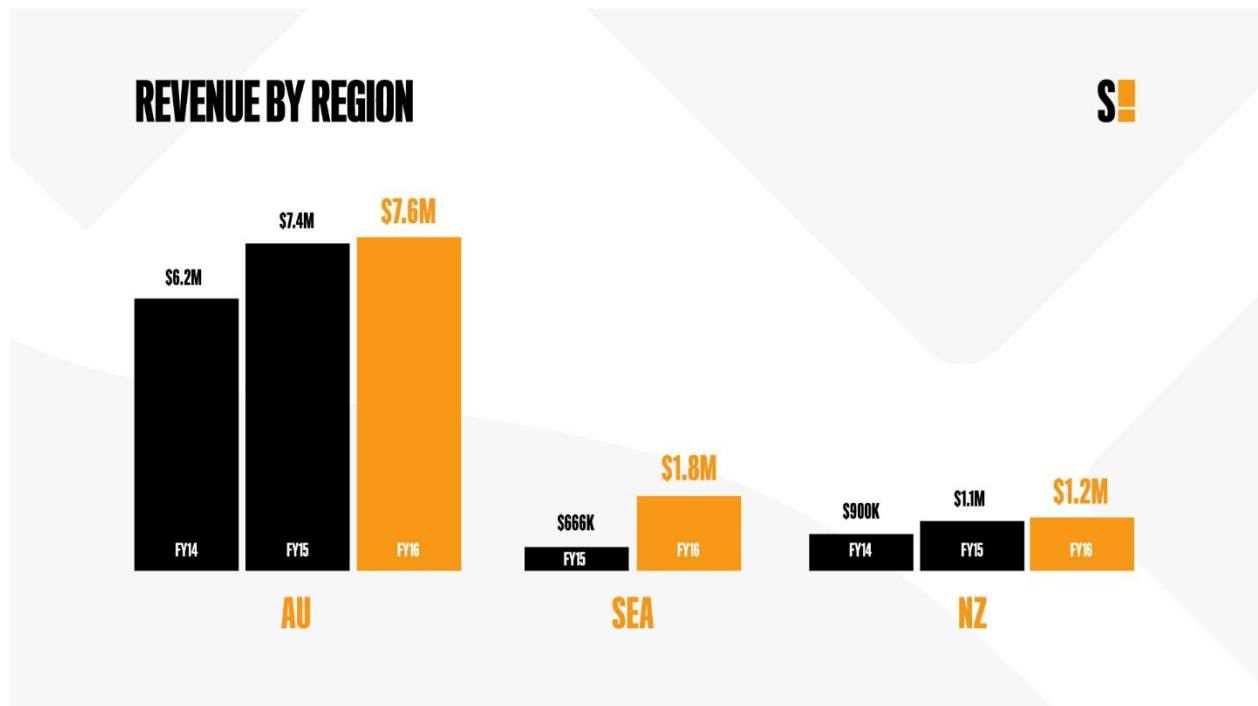


Improved Gross Margins

Snakk continued to improve its margins through a focus on new and unique premium products that yielded higher returns on each sale. Improved pricing strategies, a unique creative offering via Snakk's mobile creative division Touch Create, together with the superior accuracy of the new geo-location products offered exclusively through Snakk's partnership with UberMedia, resulted in gross margins of 63% this financial year, exceeding our stated KOM target of 55%.

Accelerating growth in Asia - revenues outside of Australia increasing

The company's strongest growth came from Southeast Asia, with year-on-year growth in revenues of over 165%. More than 30% of Snakk's total revenue is now generated outside of Australia, compared to just 4% in 2014. Malaysia and the Philippines were new markets for Snakk this year, with the Singapore-based headquarters delivering campaigns for global brands as diverse as Unilever's Paddle Pop and Lux, Visa, Ikea, McDonald's, Philippine Airlines and Airbnb. These campaigns extended into regions as diverse as Korea, Japan, Vietnam, India, Macau, Brazil, Mexico and the United Arab Emirates.



Technology Partnerships & Premium Products

In February, Snakk announced an [exclusive technology](#) partnership with US mobile location provider UberMedia which spans Australia, New Zealand and Southeast Asia. The partnership brings UberMedia's unique geo-location mobile audience and social offerings to Snakk's customers, including Location Visit Optimization (LVO)[™], Footfall Attribution Reporting, Programmatic Geo-Creative and True Lift Retail Insights. Snakk also worked with UberMedia to develop innovative new mobile and data products to meet the specific needs of its advertisers, having used these technologies for brands in all of its markets including Hyundai, BWS, Metcash and Subway.

Intensive Capital Strategy Program

New Chair and Board of Directors

Australian technology industry veteran Peter James was appointed as Independent Non-Executive Chairman in September, while Rob Antulov was appointed to the Board in January and Martin Riegel was appointed to the Board in June. Peter and Rob are based in Australia and Martin in New Zealand. These appointments were made as part of the company's strategy to bring on new Board talent with the industry experience to support Snakk's growth across the APAC region.

Capital raising success

Snakk raised \$2.2 million from a share offer in October, including \$0.7 million of oversubscriptions. New retail and institutional investors contributed 22% of the total sum raised, with the funds allowing Snakk to continue executing on its growth plans in Australia, New Zealand and Southeast Asia.

NXT Market Migration, with transparent Key Operating Milestones released

Snakk migrated to the new NXT Market in November, and released four Key Operating Milestones (KOM's) selected to transparently measure the company's performance on a quarterly basis. The Financial Year KOM results showed that Gross Margin was higher than forecast, with Staff Turnover lower than expected. Compensation to Revenue Ratio and Click-Through-Rates were both successfully within the 10% tolerance range required by the NXT Market. Today the company also released updated targets for FY17.

Consolidating a legacy share register

As part of the company's capital strategy programme, Snakk successfully completed a Share Sale Plan at the end of Q4 which rationalised its share register and will reduce the administrative costs associated with managing a large registry. Demand from existing shareholders wanting to increase their shareholding exceeded those wanting to sell, resulting in 141k shares transferred. As a result of the share sale plan, the company reduced its shareholder base to approximately 1,600 from 3,400, which included almost 1300 shareholders with a holding at that time of less than \$50 leaving the register.

Group CEO Mark Ryan comments on the year ended March 2015:

Over the last 12 months we've seen Snakk Media undergo quite an evolution. While our revenue growth was strongest in Asia, we have continued to build the business across all our markets. We are now almost triple our FY13 reported revenues, and we have reduced our rate of cash usage to the lowest levels in the company's history. Our gross margins are at an all-time high, exceeding guidance we provided to the market by a significant factor.

As importantly, we have continued to invest in market-leading technology partnerships and product development. Snakk Media continues to offer a suite of innovative mobile and specialist creative offerings that we believe allow us to stand out in an increasingly competitive market.

We also completed a series of complex and demanding Capital Strategy initiatives, which included the appointment of a new Board and Chair, an over-subscribed capital raise, migration to the NXT Market and the release of guidance for operational performance measures, and the successful rationalisation of a legacy shareholder register.

Company Outlook - Group CEO's comments:

After intensive activity across all areas of the business this financial year, we have built a stable platform for strong growth across Australia, New Zealand and Southeast Asia. We have a differentiated business proposition, and we are now generating strong revenues in all of our markets. We look at the market valuations of our local and international peers, and believe that our current valuation offers exceptional value. We have a solid cash buffer in the bank and are poised to make the next financial year our best ever.

Our broader vision for Snakk Media remains in place. The Board and I are confident about the future prospects for the business and expect continued growth from our traditional ANZ and emerging Asian markets. We continue to focus on building a highly valuable APAC mobile

advertising business, one that takes full advantage of the opportunities presented by the fastest-growing media channel in history.

We plan to achieve success over the coming years via strong organic growth, while remaining open to appropriate M&A activity that will allow us to scale the business rapidly. We remain confident in the future prospects for Snakk Media and look forward to our shareholders taking this journey with us.

Snakk AGM: 20 September 2016

The company's Annual General Meeting will be held mid-afternoon on Tuesday 20 September 2016 at AUT Auckland. More details will be released closer to the event.

ENDS

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About Snakk Media Ltd

Specialist mobile advertising company Snakk Media offers a full suite of creative, content and technology services, empowering the world's leading brands and media agencies to accurately reach and engage with consumers on their mobile devices. The ads are highly-targeted, using Snakk's own technology or via best-in-market technology partnerships, to ensure the right consumer audiences see them in the right location.

Snakk's other business units include Represent Media, a division that sells mobile ad inventory for premium publishers, and Touch Create, a mobile-first creative agency that complements Snakk's portfolio of audience-targeting, geo-location and native advertising technologies.

Visit www.snk.co.nz for Investor information; for Trade inquiries please visit:

- www.snakkmedia.com
- www.representmedia.com.au
- www.touchcreate.com.au