

AUCKLAND, New Zealand, 31 May 2017 – Today specialist mobile advertising company Snakk Media (NXT: SNK) is announcing its unaudited preliminary financial results.

Net revenue for the year ending 31 March 2017 (FY17) was \$10.6m, up from \$10.5m for the year ending 31 March 2016. The net loss for the second half of the financial year was \$1.4m – an improvement on the net loss for first half year of the financial year of \$1.9m – for a full year net loss of \$3.3m. The net loss increased from \$994k in the year ending 31 March 2016.

The mobile advertising market continues to grow rapidly but remains highly competitive and fluid with the supply side dominated by a handful of major global companies. Snakk competes against the major global companies by focusing on differentiated niche products and services in areas where the competitors are not as proficient, and by expanding its distribution channels.

The increased loss for the 2017 financial year was driven by the significant investment made by the company to re-position itself with a more diversified product suite and distribution channels and associated revenue streams, which the Board sees as creating a platform for growth in FY18 and beyond.

Highlights for the year include:

- Launch of a programmatic geographic mobile *Self-Service* trading platform in October 2016
- Launch of a market leading GPS based mobile video product - video is a growing mobile advertising format
- Development of a mobile geographic data and analytics capability
- Development of enhanced retail-insights measurement and reporting to enable agencies and retail brands to measure the in-store impact of mobile advertising
- An advertising agency winning the Bronze “Best Use of Geolocation” at the Festival of Media Global Awards for a mobile advertising campaign that utilised Snakk’s geographic targeted advertising platform and creative from Snakk’s Touch Create division.
- International recognition of the Touch Create mobile creative division: winner of 6 silver W3 Awards USA for “Bond Spectre”, Singapore and “The Walk”, Singapore, and; Finalist for the MMA Smarties APAC 2016 “Best Brand Media Experience in Rich Media” for the same campaign.

Snakk’s primary technology partner is UberMedia. One of the most trusted mobile authorities, UberMedia transforms mobile behavioural data to power actionable business intelligence, advertising, and measurement. UberMedia’s diverse suite of products process billions of social, demographic, and location signals daily for companies across retail, automotive, and entertainment to better understand and influence modern consumers with the most accurate business decision science. Recognised as a pioneer in targeted mobile advertising, UberMedia was listed as Fast Company’s “50 Most Innovative Companies,” The Wall Street Journal’s Top “50 Startups,” Entrepreneur Magazine’s “Best Entrepreneurial Companies in America,” and as one of Advertising Age’s “Best Places to Work.” UberMedia

is headquartered in Pasadena, CA as a network company of Idealab, a world-renowned operator of leading technology businesses. Uber Media continues to work closely with Snakk as UberMedia's supplier in Australia, New Zealand, and Southeast Asia.

Managed Services and Self-Service. Snakk's core business is to offer highly targeted geo and audience based *Managed-Services* advertising supported by mobile creative on the UberMedia and other platforms. The programmatic geographic mobile *Self-Service* platform was introduced in October 2016 for customers who wish to manage their own advertising campaigns on UberMedia via Snakk. *Self-Service* complements Snakk's *Managed-Services* offering. *Self-Service* accounted for more than 15% of Snakk's revenue in Q4 of FY17 and is expected to continue to grow in FY18.

Data Analytics. The mobile geographic data and analytics beta product developed by Snakk and underpinned by the UberMedia platform provides consumer movement and enriched consumer behaviour data to brands and agencies. This enables more highly targeted advertising campaigns and the potential to link the data to other forms of media such as billboards and bus shelter outdoor advertising locations. The beta has been successfully tested and Snakk is actively marketing the product.

Geographically Snakk continues to operate in Australia, New Zealand and Southeast Asia. Snakk is developing a stronger market presence in Melbourne and Brisbane and both markets are showing encouraging signs of revenue growth in the early stages of that investment. Snakk's Southeast Asia operations are being restructured to provide a better balance between *Managed-Service* and *Self-Service* sales and support capability and to match resources with revenue expectations.

The investment in FY17 in operational capability, finance, and human resources has led to improved operational efficiencies and controls. As a consequence of that investment and also to align the business structure to the future needs of the business, Snakk implemented a restructuring in Q4 to reduce operational expenses. The majority of the benefits will be fully realised from June 2017 onwards. The focus of the restructure was on non-customer facing support roles and it has not impacted Snakk's ability to service the anticipated business volumes.

The timing of Snakk's return on investments and lower than expected revenue in Q4 has resulted in a relatively low level of working capital.

Summary

The investment made in FY17 and the restructuring in Q4 has provided Snakk with a more diversified product and service range, additional distribution channels, and strengthened operational controls and financial oversight compared to FY16. The Q4 restructuring and other cost initiatives undertaken in FY17 will significantly reduce the operating expenses including a reduction in employee costs in FY18.

The UberMedia platform that powers the majority of Snakk's revenue is a leading edge advertising technology and positions Snakk well to continue to provide innovative, differentiated products and services.

Snakk expects to grow revenue in its Australia/New Zealand and Southeast Asia business units in FY18 including continued growth in the programmatic *Self-Service* product. Whilst Snakk remains subject to revenue fluctuations and uncertainty in a highly competitive and volatile mobile market, the unaudited results for April 2017 and estimates for May 2017 indicate cumulative year-on-year revenue growth in line with Snakk's growth estimates.