AUCKLAND, New Zealand, 30 May 2018 – Today specialist mobile advertising company Snakk Media (NXT: SNK) is announcing its unaudited preliminary financial results for the year ending 31 March 2018 (FY18).

FY18 has seen a significant turnaround of $2.9m resulting in a decrease of the net loss to $0.27m from a net loss of $3.2m in FY17. Snakk achieved a net profit of $0.35m in the second half of the year, the first profitable half year in the last six years.

The media revenue was $10.3m (FY17, $10.6m). The main differences between years is continued growth in Self-Service revenue of $0.9m offset by lower revenue from Managed Services in Southeast Asia of $1.1m.

The mobile advertising market continues to grow and remains highly competitive and subject to structural change. It is a rapidly evolving market with demands for the types of services shifting year-on-year. Snakk competes against the major global companies by focusing on differentiated niche products and services in areas where the competitors are not as proficient, by being nimble in adapting its products and services to changing demand, and by expanding its distribution channels.

Snakk continues to operate in Australia, New Zealand and Southeast Asia. As the contribution to net results from Southeast Asia was negative in FY17 Snakk significantly reduced the resources deployed there in FY18. Snakk is currently investigating ways to re-establish a Managed Services presence in a cost-effective manner that if successful would result in a positive contribution to the net result. There was good growth in the Melbourne and Brisbane markets that Snakk invested in to establish a stronger presence. The Sydney and New Zealand continued to be highly competitive and results were disappointing in those markets. The Sydney team has been re-vamped for FY19 and Snakk has established a new distribution model in New Zealand that encourages revenue growth whilst reducing operating costs at foreseeable revenue levels.

Although there was good growth in Self-Service revenue in FY18 the demand for specialist self-service platforms such as that offered by Snakk Media is not growing as fast as first anticipated. It has to some extent been replaced by an increased demand for data led products.

Managed Services and Self-Service. Snakk's core business is to offer highly targeted geo and audience based in-app advertising supported by mobile creative through its *Managed-Service* business stream. Snakk continues to develop and evolve the range of products to support the *Managed-Services* business stream.

The programmatic geographic mobile Snakk Audience platform is for customers who wish to manage their own advertising campaigns on a *Self-Service* basis. *Self-Service* complements Snakk's *Managed-Services* offering. *Self-Service* grew to $1.6m in FY18 and Snakk continues to offer this service, although the ongoing demand is difficult to predict.

Data Analytics. The mobile geographic data and analytics products provide audiences based on consumer movement and enriched consumer behaviour data to our customers. This enables more highly targeted advertising campaigns or use of the consumer data for other insight purposes unrelated to advertising campaigns. Snakk can charge for access to the data and in other cases charge activation fees for use of the data. Snakk itself blends data from a variety of sources to provide enriched audiences as part of the *Managed-Services* suite of products.

Through continued vigilant management and monitoring of costs and investment in operational capability, controls, finance, and other human resources Snakk has reduced the operating expenses excluding finance charges to $6.5m in FY18. That is a reduction of $3.0m from FY17 without impacting sales capability in Australia and New Zealand or delivery and support capability in any market. As the full benefits of the restructuring commenced in FY17 was only fully realised from Q2 onwards in FY18 Snakk expects the operating expenses to be lower again in FY19. Although Snakk will take the opportunity to further invest in capability where there is a reasonable potential to grow revenue.

Nevertheless, Snakk's level of working capital remains relatively low and it and the associated cash flow is closely monitored by the company and the board.

The board and management believe the investment in product development for in-app and other mobile products, programmatic self-service offerings, data products and services, and the potential for innovative distribution channels and partnership diversifies the risk to revenue.