

SNK FULL YEAR

AUCKLAND, New Zealand, 29 June 2018

SNACK ACHIEVES SIGNIFICANT TURNAROUND OF \$2.9M

Today mobile advertising technology company Snakk Media Limited, (NXT: SNK), released its Annual Report for the financial year ending 31 March 2018 (“FY18”).

The net loss in FY18 was \$0.27m, a significant turnaround of \$2.9m from the net loss of \$3.2m in the financial year ending 31 March 2017 (“FY17”). Snakk achieved its first profitable half year in six years in the second half of the year with a net profit of \$0.35m. The media revenue was \$10.3m (FY17, \$10.6m).

Snakk invested in products and services and in managed-service markets where Snakk considered there were favourable risk/reward opportunities for growth. It achieved good outcomes in self-service and in the Melbourne and Brisbane managed-service markets. However, there was lower than expected managed-service revenue in the established, highly competitive Sydney and New Zealand markets. Snakk significantly reduced its sales resources in Southeast Asia as the achieved and forecasted revenue did not justify continuing the same level of investment. The sales team has been revitalised in NSW and a new distribution model has been established in New Zealand.

The restructuring that commenced in the financial year 2017 continued into 2018 with the majority of the benefits being realised from the second quarter onwards. Operating expenses excluding finance charges were reduced by \$3.1m year on year to \$6.5m in FY18. Snakk expects the operating expenses to be lower again in FY19.

The level of working capital available is very tight limiting opportunities and placing pressure on the business overall. Snakk’s scale of operations is low for a listed company with the associated overhead and the board and management continuously monitor and manage working capital and associated capital options.

For the financial year 2019, Snakk is well positioned to maintain or grow its managed-service business in its core Australian and New Zealand markets. Snakk continues to develop products to support mobile advertising and data-led products and services derived from use of mobile device apps and mobile geo-location data. The demand for data-led products and services is growing and Snakk is pursuing opportunities in that market segment. There is a more diversified range of products and services compared to 2017 and 2018 that Snakk intends to leverage in 2019 and beyond.

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