

SE Press Release
HD **Snakk nearly doubles annual revenue, grows by over 90%**

BY Snakk Media

WC 1,179 words

PD 13 June 2014

ET 10:59

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LA English

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Snakk nearly doubles annual revenue, grows by over 90%

Singapore office opens as Snakk moves into Asia

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AUCKLAND, New Zealand, 13 June 2014 - Today mobile advertising technology **company** Snakk Media Ltd., (NZAX: SNK) is announcing its unaudited preliminary financial results, with revenues from March 2013 to March 2014 increasing 92% year-on-year, from \$3,654,004 to \$7,029,916.

The **company**'s financial year ended strongly, with fourth quarter revenues from January to March 2014 increasing 78% from the previous year's quarter to \$1,750,331. Snakk expects to release its audited results on or before 31 July.

The net loss after tax for the year ending March 2014 is \$1.8m, with \$481,731 representing a non-cash expensing of staff options. While the loss increased 58% year-on-year, revenues almost doubled. Snakk is continuing to invest to scale the business for growth, and begins its 2015 financial year strongly with more than \$NZ6.3m in cash and cash equivalents to fund its expansion plans.

More than 85% of Snakk's revenues are generated from its Australian **operations**, and when the adverse impact of exchange rate fluctuation is removed from reporting, the year-on-year growth in AUD was 117% for the full year.

Analysts forecast mobile advertising in Australia to grow at a Compound Annual Growth Rate (CAGR) of 39% between 2013 and 2018.

Snakk opens Singapore office

The **company** has stepped up its Asian expansion with the appointment of Michael Gooch to **lead** its South-East Asian **operations**, based in Singapore. Mr Gooch worked with Haymarket Publishing in the UK before helping Catcha Digital Asia expand into Singapore in 2010. Catcha Digital was subsequently acquired by OPT Inc. in 2013, one of Japan's leading digital media agencies.

The **company**'s revenue also continues to flow from Asia via Australian agencies using Snakk's smart screen advertising technologies to run campaigns in these markets for brands such as H&M, Samsung and HP.

Snakk Group CEO Mark Ryan says Singapore was chosen as the **company**'s first Asian headquarters because it is a significant decision gateway for the region, with a heavy concentration of global and regional media agencies and brands.

"Centering our operation in Asia's regional hub makes sense as the majority of decisions made in Singapore directly influence other markets," says Mr Ryan. "We also see Singapore as an ideal launch point for moving into other countries and regions, including Thailand, **Hong Kong**, Indonesia and Malaysia."

Group CEO Mark Ryan comments on the year ended March 2014:

"Seeing our growth continue to accelerate so strongly and beat the previous financial years' gains is a fantastic reward. We exceeded our internal forecasts by quite a large margin, with our fourth quarter growth proving to be another record-breaking result.

"The **company** is maturing rapidly and has been carefully expanded over the last year. We've committed time and investment into securing top industry talent who continue to provide exceptional service and outstanding client results, while managing a dramatic increase in campaign volumes.

"We've also continued to invest significant resources into building our portfolio of best-of-breed smart screen advertising technologies, particularly those that target specific geographic locations and use audience data to reach the right people at the right time. Our recent announcement regarding our investments and partnerships with Moasis Global and Plyfe are just the beginning of this important long-term strategy for Snakk."

Key highlights from the past 12 reporting months include:

- Appointing the **company**'s inaugural Group CEO, Mark Ryan (April 2013).
- Opening a Brisbane office (April 2013).
- Opening a New Zealand office (May 2013).
- Raising \$6.5m through a Share **Purchase** Plan supported by over 1,200 shareholders and through private placements (May 2013).
- Becoming one of the first public companies in the world to meet the rigorous social, environmental and governance standards required to become a Certified **B** Corporation or "**B** Corps" (June 2013).
- Second quarter revenues almost tripling year-on-year at 147% (July-September 2013). By this point, Snakk had already generated 83% of its previous full year's revenues.
- Being ranked New Zealand's 6th fastest-growing business on the Deloitte Fast 50 index (November 2013) and 62nd on the Asia Pacific Tech 500 (December 2013). These rankings were based on the **company**'s audited year-on-year growth rates calculated at 486.3% from 1 April 2011 to 31 March 2013.
- Achieving Snakk's first **million** dollar revenue month (December 2013).
- Generating the biggest quarter in Snakk's history (October-December 2013), which was also the first quarter the **company** turned a profit.
- Investing a small portion of treasury funds with the MicroDreams Foundation in the form of an interest-bearing loan to make a significant difference to the livelihoods and communities of South Pacific Islanders. The Foundation micro-finance women entrepreneurs growing small sustainable businesses. (December 2013)
- Creating a new position, Group Commercial Manager, filled by Luke Williams (March 2014)

Looking ahead

"Our strategy of identifying the best smart screen advertising technology platforms to invest in - or partner with - gives us a distinct competitive edge in Australia and New Zealand, and will keep us at the forefront of a fast-growing and rapidly evolving industry," says Mr Ryan.

"As we look to the future we intend to further capitalise on this strategy in Asia, where the next wave of mobile advertising growth will occur and where hundreds of **millions** of consumers use smartphones. We're confident we're going to make an impact in this region and build a business of considerable value."

Gartner predicts that from 2015 to 2017, mobile advertising growth will be fuelled strongly by a number of factors including improved market conditions, new targeting technologies, and a sustained interest in the mobile medium from advertisers.

Data released in June 2014 by IAB Australia /Nielsen highlights how prevalent the use of smartphone applications (apps) are in Asian markets such as Indonesia, where people are spending an average of 50 hours per month using a wide variety of apps. This is already considerably higher than the more mature markets of USA and Japan, and more than double the monthly usage of smartphone apps in Australia.

The rise of internet-enabled devices bearing smart screens, as well as the number of mobile sites, apps and games that people are using - and the time spent using them - is increasing exponentially. This presents enormous opportunities for Snakk in Australia, New Zealand and across the Asia Pacific region.

Snakk AGM and #SnakkLive 2014 event - 16 September

For the second consecutive year, Snakk Media will highlight and discuss the key trends shaping the mobile advertising industry following its Annual General Meeting, to be held Tuesday, 16 September in the Sir Paul Reeves Building at Auckland University of Technology (WG308). The AGM will start in the late afternoon and will be followed by an early evening panel event. More details will be released closer to the event.

ENDS

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IN imed : Media/Entertainment

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AN Document SCONZ0020140613ea6d00062