



## UPSNAP ANNOUNCES 2014 SECOND QUARTER FINANCIAL RESULTS

**Toronto, Ont. – August 25, 2014** – UpSnap, Inc. (CSE: UP) ("UpSnap" or the "Company"), a leading provider of mobile advertising solutions, today announced its second quarter (Q2) financial results for the three and six month periods ended June 30, 2014.

"Our increased focus on our subscription-based revenue model proves to be a right strategic move, as it brings significant confidence to our cash flow as we continue to grow the business," said Bruce Howard, CEO of UpSnap, Inc. "The addition of this new model has some short-term consequences to the revenue that we recognize as a company. Since the subscription contracts are often for a one year term, the revenue that we recognize is spread throughout the period of the contract. As most of our subscription contracts have been in place for less than three months, the bulk of the revenue from new subscriptions will be recognized in future periods, resulting in decreased mobile advertising revenue in the current quarter."

"During the second quarter, we acquired 341 new local and national clients, of which 329 are on our new subscription model," continued Bruce Howard. "This is a significant increase compare to 108 clients we acquired during the full 2013 fiscal year. The success of our customer acquisitions is due to the development of our local mobile product, which helps small and medium size businesses advertise to their target audience. This is an area that the previous management of the Company were not focused on, in which we see significant opportunity for the future of our business."

### Second Quarter Financial Highlights

- Total operating revenue declined by 31% to \$0.71 million for Q2 2014, compared to \$1.03 million for Q2 2013.
- Mobile advertising revenue declined by 26% to \$0.55 million for Q2 2014, compared to \$0.74 million in Q2 2013.
- Loss from operations of \$1.08 million for Q2 2014, compared to \$0.71 million in Q2 2013.
- Net loss and comprehensive loss of \$1.12 million for Q2 2014, compared to \$1.28 million in Q2 2013.
- Basic and diluted loss per share of \$0.01 in Q2 2014, compared to loss per share of \$0.30 in Q2 2013.
- Total cash position of \$1.34 million as at June 30, 2014, compared to \$0.14 million as at December 31, 2013.

### Operational Highlights

- During the quarter, the Company changed its name from VoodooVox Inc. to UpSnap, Inc. to reflect its new strategy.
- In March 2014, the Company began offering its mobile advertising services to small businesses on a subscription basis.



- During the quarter, UpSnap began selling services through a reseller network, allowing UpSnap to leverage its resellers' sales forces and customer relationships.
- To date, UpSnap has secured agreements with 11 resellers for its subscription services.
- During the quarter, the Company expanded its mobile advertising sales team to actively facilitate broadening of the Company's subscription and performance-based list of clients.

This news release should be read in conjunction with UpSnap's interim financial statements and the accompanying notes, as at and for the quarter ended June 30, 2014, together with the related Management Discussion and Analysis. Those documents have been filed with certain securities regulatory authorities in Canada and are available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the UpSnap website at [www.upsnap.com](http://www.upsnap.com).

### **About UpSnap**

UpSnap provides highly-targeted, data-driven mobile advertising to attract the ideal audience for brands big and small. Combining first-party proprietary data and real-time analytics, UpSnap goes beyond location to deliver site agnostic and results-driven campaigns that produce qualified, engaged customers. UpSnap tailors each campaign to align with unique business goals, delivering the right customers for more meaningful exposure and better business results.

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### **Forward-Looking Cautionary Statement**

Certain information set out in this News Release constitutes forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "hope", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "scheduled", "believe" and similar expressions. The forward-looking information set out in this News Release relates to future events or our future performance and includes the effect that investing in software development, expanding the Company's sales team and broadening its revenue streams will have on future performance.

Although the forward-looking statements contained in this news release are based upon what management of the



Company believes are reasonable assumptions on the date of this news release, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. Forward-looking statements involve substantial known and unknown risks, uncertainties and other factors which cause actual results to vary from those express or implied by such forward looking statements. These statements should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved.

The forward-looking statements contained in this press release are made as of the date hereof and based on what management of the company believes are reasonable assumptions. The Company disclaims any intention or obligation to update or publicly revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities laws. Furthermore, the Company does not assume responsibility for the accuracy and completeness of the forward looking statements set out in this news release. The Company's forward looking statements are expressly qualified in their entirety by the foregoing cautionary statements.

*The CSE has not reviewed, approved or disapproved the content of this press release.*