SNIPP INTERACTIVE INC.

SNIPP INTERACTIVE REPORTS FINANCIAL RESULTS FOR Q2 2020

August 31, 2020

VANCOUVER, BC, CANADA - Snipp Interactive Inc. ("Snipp" or the "Company") (TSX-V: SPN; OTCPK: SNIPF), a global provider of digital marketing promotions, rebates and loyalty solutions, announces its financial results for Q2 2020. All results are reported under International Financial Reporting Standards ("IFRS") and in US dollars. A copy of the complete unaudited interim financial statements and management's discussion and analysis are available on SEDAR (www.sedar.com).

Q2 2020 Highlights
(Refer to Non-GAAP Measures, Gross Margin, EBITDA and Bookings Backlog discussion below)

- EBITDA in Q2 2020 improved by 440% compared to Q2 2019, an EBITDA improvement of $27,138. Q2 2020 EBITDA was positive $33,312 vs positive $6,174 in Q2 2019 EBITDA.
- EBITDA in the six months ended June 30, 2020 improved by 83% compared to the six months ended June 30, 2019, an EBITDA improvement of $36,130. For the six months ended June 30, 2020 EBITDA was positive $79,573 compared to positive $43,443 for the six months ended June 30, 2019.
- The Company has been EBITDA positive for the last two consecutive quarters from Q1 2020 to Q2 2020.
- Revenue for Q2 2020 decreased by 17% compared to Q2 2019. Revenue for Q2 2020 was $2.01MM compared to revenue for Q2 2019 of $2.41MM. However, while total revenue realized in the quarter decreased, this was offset by lower operating expenses, resulting in a 440% increase in EBITDA in Q2 2020 compared to Q2 2019.
- Gross margin in Q2 2020 was 65% compared to 76% in Q2 2019.
- Revenue for the six months ended June 30, 2020 decreased by 17% compared to the six months ended June 30, 2019. Revenue for the six months ended June 30, 2020 was $4.38MM compared to revenue for the six months ended June 30, 2019 of $5.28MM. However, while total revenue realized in the six months decreased, this was offset by lower operating expenses, resulting in a 83% increase in EBITDA in the first half of Fiscal 2020 compared to Fiscal 2019.
- Gross margin for the six months ended June 30, 2020 was 70% compared to 76% for the six months ended June 30, 2019.
- The Company continued to focus on cost improvements from its integration efforts, resulting in the following Q2 2020 cost savings compared to Q2 2019:
    - Salaries and compensation expenses decreased by approximately US $345k or 24%;
    - General and administrative expenses decreased by approximately US $94k or 42%;
    - Marketing and investor relations expenses decreased by approximately US $69k or 97%.
- The following are cost savings recognized in the six months ended June 30, 2020 compared to the six months ended June 30, 2019:
    - Salaries and compensation expenses decreased by approximately US $575k or 19%;
    - General and administrative expenses decreased by approximately US $145k or 34%;
    - Marketing and investor relations expenses decreased by approximately US $152k or 97%.

"Delivering an EBITDA positive second quarter given the global environment is a testament to the value of our platform, the commitment of our employees and a validation of the strategy we are focused on executing. The pillars of this strategy are three fold:

1. Build a platform that enables annualized EBITDA growth
2. Drive Revenue Mix towards Long Term Recurring Revenue streams and
3. Achieve a sense of Trust & Transparency across all key stakeholders

We believe that sustained EBITDA growth along with a continued change in our revenue mix to longer term recurring contracts will enhance our trust not only with the investment community but will also open up more business opportunities for the company and give us the ability to attract high quality talent. We expect our third quarter to continue this trend with growth in Revenue and EBITDA," said Atul Sabharwal, Founder & CEO.

Non-GAAP Measures

Snipp uses certain performance measures throughout this document that are not recognizable under Canadian generally accepted accounting principles or IFRS ("GAAP"). These performance measures include Gross Margin and EBITDA. Management believes that these measures provide supplemental financial information that is useful in the evaluation of the Company's operations.

Investors should be cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with GAAP and IFRS as an indicator of Snipp's performance. The Company's method of calculating these measures may differ from that of other organizations, and accordingly, these may not be comparable.

EBITDA

Snipp defines earnings before interest, taxes, depreciation and amortization ("EBITDA") as revenue minus operating expenses excluding non-cash operating expenses of stock-based compensation, depreciation and amortization (interest and taxes are not included in the Company's operating expenses).

Gross Margin

Snipp defines Gross Margin as revenue less campaign infrastructure. The Company's calculation of Gross Margin is not a financial measure that is recognized under GAAP. Investors should be cautioned that the Company's defined Gross Margin should not be construed as an alternative measure to other measures determined in accordance with GAAP.

Bookings Backlog

Snipp defines Bookings Backlog as future revenue from existing customer contracts to be recognized in future quarters. Bookings get translated into revenues based on IFRS principles and the Bookings Backlog reflects how revenues in future quarters are steadily being booked today.

The Following are calculations of EBITDA:

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	USD	**USD**	**USD**	**USD**
Net loss before interest, foreign exchange and taxes	(4,08,875)	(5,77,621)	(8,90,119)	(11,31,598)
Amortization of intangibles	4,20,447	5,35,670	9,25,295	10,63,398
Depreciation of equipment	4,751	6,706	10,273	14,135
Stock-based compensation	16,989	41,419	34,124	97,508
EBITDA	33,312	6,174	79,573	43,443

The Following are calculations of Gross Margin:

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	USD	**USD**	**USD**	**USD**
Revenue	20,05,681	24,07,354	43,78,893	52,82,423
Less:				
Campaign infrastructure	6,96,963	5,87,177	13,27,470	12,80,602
Gross Margin	13,08,718	18,20,177	30,51,423	40,01,821

About Snipp:

Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

Snipp is headquartered in Vancouver, Canada with a presence across the United States, Canada, Ireland, Europe, and India. The company is publicly listed on the Toronto Stock Venture Exchange (TSX-V) in Canada and is also quoted on the OTC Pink marketplace under the symbol SNIPF.

FOR FURTHER INFORMATION PLEASE CONTACT:

Snipp Interactive Inc.
Jaisun Garcha
Chief Financial Officer
investors@snipp.com

Cautionary Note Regarding Forward-Looking Statements
This press release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as changes in demand for and prices for the products of the company or the materials required to produce those products, labour relations problems, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. The reader is cautioned not to put undue reliance on such forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.