



SNIPP INTERACTIVE INC.

SNIPP INTERACTIVE REPORTS FINANCIAL RESULTS FOR Q3 2020

October 29, 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 Q3 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).

Q3 2020 Highlights

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

- EBITDA in Q3 2020 improved by 141% compared to Q3 2019, an EBITDA improvement of \$365,500. Q3 2020 EBITDA was positive \$106,968 vs negative \$258,532 in Q3 2019 EBITDA.
- EBITDA in the nine months ended September 30, 2020 improved by 187% compared to the nine months ended September 30, 2019, an EBITDA improvement of \$401,630. For the nine months ended September 30, 2020 EBITDA was positive \$186,541 compared to negative \$215,089 for the nine months ended September 30, 2019.
- The Company has been EBITDA positive for the last three consecutive quarters from Q1 2020 to Q3 2020.
- Revenue for Q3 2020 increased by 6% compared to Q3 2019. Revenue for Q3 2020 was \$2,132,521 compared to revenue for Q3 2019 of \$2,011,647.
- Gross margin in Q3 2020 was 73% compared to 77% in Q3 2019.
- The Company continued to focus on cost improvements from its integration efforts, resulting in the following Q3 2020 cost savings compared to Q3 2019:
 - Salaries and compensation expenses decreased by approximately US \$220k or 14%;
 - General and administrative expenses decreased by approximately US \$107k or 51%;
 - Marketing and investor relations expenses decreased by approximately US \$22k or 65%.
- The following are cost savings recognized in the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019:
 - Salaries and compensation expenses decreased by approximately US \$795k or 17%;
 - General and administrative expenses decreased by approximately US \$252k or 40%;
 - Marketing and investor relations expenses decreased by approximately US \$174k or 91%.

"Snipp had a successful quarter even while operating in a global pandemic largely due to the fruits of our strategy that we have stayed committed to over the course of the last year and half. Q3 2020 revenue increased along with increased EBITDA compared to Q3 2019 and we expect this to continue over the fourth quarter to give us a year of growth both on a revenue and EBITDA basis. Our goal is to continue to grow profitably as we focus on selling higher margin and recurring revenue contracts. As we generate more EBITDA we intend to strategically reinvest in our sales and marketing initiatives globally. We hope that by exhibiting this sustained trend of positive EBITDA along with Q3 2020 achieving triple digit EBITDA growth, investors will finally get confidence in the strategy we have been pursuing. Should our market valuation begin to reflect a more comparable

valuation of companies in our genre that are debt free, growing and profitable, we stand well placed to make bold moves that would allow for step changes to the value of our company to shareholders.” 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 September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
	USD	USD	USD	USD
Net loss before interest, foreign exchange, other income and taxes	(239,752)	(842,475)	(1,129,871)	(1,974,073)
Amortization of intangibles	331,493	545,165	1,256,788	1,608,563
Depreciation of equipment	3,417	6,133	13,690	20,268
Stock-based compensation	11,810	32,645	45,934	130,153
EBITDA	106,968	(258,532)	186,541	(215,089)

The Following are calculations of Gross Margin:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
	USD	USD	USD	USD
Revenue	2,132,521	2,011,647	6,511,414	7,294,070
Less:				
Campaign infrastructure	568,374	468,082	1,895,844	1,748,684
Gross Margin	1,564,147	1,543,565	4,615,570	5,545,386

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:

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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.

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