



SNIPP INTERACTIVE INC.

SNIPP INTERACTIVE REPORTS FINANCIAL RESULTS FOR Q1 2020

June 1, 2020

VANCOUVER, BC, CANADA - Snipp Interactive Inc. ("Snipp" or the "Company") (TSX-V: SPN; OTCQK: SNIPF), a global provider of digital marketing promotions, rebates and loyalty solutions, announces its financial results for Q1 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).

Q1 2020 Highlights

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

- Revenue for Q1 2020 decreased by 17% compared to Q1 2019. Revenue for Q1 2020 was \$2,373,212 compared to \$2,875,069 for Q1 2019.
- Gross margin in Q1 2020 was 73% compared to 76% in Q1 2019.
- EBITDA in Q1 2020 increased by 24% compared to Q1 2019, an EBITDA improvement of \$8,992. Q1 2020 EBITDA was \$46,261 vs Q1 2019 EBITDA of \$37,269.
- Net loss in Q1 2020 was \$506,041 compared to net loss in Q1 2019 of \$580,766, an improvement of 13%.
- Bookings Backlog (programs that have been sold, but whose revenues have not yet been recognized) stood at \$4.7MM at March 31, 2020, a decrease of 24% compared to March 31, 2019 of \$6.2MM.
- The Company continued to focus on cost improvements from its integration efforts, resulting in the following Q1 2020 cost savings compared to Q1 2019:
 - Salaries and compensation expenses decreased by approximately US \$230k or 14%;
 - General and administrative expenses decreased by approximately US \$51k or 25%;
 - Marketing and investor relations decreased by approximately US \$83k or 96%;
 - Travel decreased by approximately US \$16k or 58%;

"Q1 2020 kicked off with an EBITDA positive quarter despite the macro economic shocks that hit every industry in March. This is a testament to our strategy to build longer term recurring revenue streams and diversify our revenue base from short term project based revenues. As we continue to stay focused on our strategy, our ability to ride out severe market shocks and our staying power becomes stronger. We were also the recipient of the US Government's Paycheck Protection Program ("PPP") as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The Loan matures after a two year period, is unsecured and is guaranteed by the U.S. Small Business Administration. As stipulated by the requirements of the PPP, the Loan will be forgiven if the proceeds are used to cover payroll costs. The Company expects to apply for the loan forgiveness in accordance with the terms of the CARES Act. We are grateful for this support which will enable us to accelerate our investments in building out our Sales and Marketing functions to further stimulate our strategy," said Atul Sabharwal, Founder & CEO of Snipp.

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 March 31, 2020	Three Months Ended March 31, 2019
	USD	USD
Net loss before interest, foreign exchange and taxes	(481,244)	(553,977)
Amortization of intangibles	504,848	527,728
Depreciation of equipment	5,522	7,429
Stock-based compensation	17,135	56,089
EBITDA	46,261	37,269

The Following are calculations of Gross Margin:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
	USD	USD
Revenue	2,373,212	2,875,069
Less: Campaign infrastructure	630,507	693,425
Gross Margin	1,742,705	2,181,644

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 offices 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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