



SNIPP INTERACTIVE INC.

SNIPP INTERACTIVE INC. REPORTS Q2 2016 FINANCIAL RESULTS

August 29, 2016

OTCQX Trading Symbol: SNIPF
TSX Venture Exchange Trading Symbol: SPN

WASHINGTON, DC - Snipp Interactive Inc. ("Snipp"), an international provider of marketing promotions, rebates and loyalty solutions, is pleased to announce its financial results for the three and six months ended June 30, 2016. 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).

First Half 2016 Corporate Highlights

- Record 165 deals sold in the first half of 2016, the highest number in the company's history.
- 86 ongoing programs were run concurrently during the first half of 2016 reflecting the scalability of the company's platform and operations.
- Completed integration activities related to acquisitions carried out in 2015 that have put Snipp on the path to accrue over US \$2.0 million in annual savings. The full benefit of these cost reductions will begin accruing to the company in Q3 2016.
- In Q2 2016 the company completed the cross-training process between the former Hip Digital and Snipp sales forces.
- Snipp continued development work on extensions to its product offerings, with a particular emphasis on our SnippLoyalty solution and SnippInsights, the company's much anticipated data mining solution.

Three and Six Months Ended June 30, 2016 Financial Summary (Refer to Non-GAAP Measures, Gross Margin discussion below)

- Revenue for Q2 2016 was US \$2.8 million with a gross margin of 71%. This was 34% higher than revenue in Q1 2016 (US \$2.1 million) and 4% higher than the comparable period in 2015.
- Revenue for the first half of 2016 was US \$4.9 million with a gross margin of 73%. This was 23% lower than the first half of 2015 but at a significantly higher Gross margin.
- Gross margin was 33% higher for the first half of 2016 compared to the first half of 2015 (40%). There was a 4% reduction in Q2 2016 Margin when compared to Q1 2016. The company defines gross margin as revenue less campaign infrastructure costs.
- Sales bookings for Q2 2016 was US \$2.6 million with estimated margins of over 70%
- Sales bookings for the first half of 2016 totaled US \$7.2 million in comparison to US \$2.7 million for the first half of 2015, an increase of 167%.

- The current bookings backlog stands at US \$6.0 million.
- The current sales pipeline stands at \$25.2 million as of August 29th, 2016.
- The company reduced its Salaries and Compensation costs by 12% (\$406,000) and G&A costs by 18% (\$68,000) compared to Q1 2016
- The company had US\$6.8 million of current assets at the end of Q2 with no outstanding bank debt.

“Q2 2016 represented another solid quarter for the company,” said Atul Sabharwal, CEO of Snipp. “We continue to grow our revenues quarter over quarter and have taken the steps necessary to reduce our costs as we drive towards profitability. This quarter allowed us to finally consolidate all of our operations and complete the integration of our past acquisitions, putting us on a strong footing to continue to be a disruptive force in the industries we serve. We are off to a great start to Q3 2016 and look forward to delivering continued growth as we execute on our plan for the remainder of 2016.”

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. 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.

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.

The following are calculations of Gross Margin:

	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
	USD	USD	USD	USD
Revenue	\$2,824,293	\$2,709,288	\$4,931,723	\$6,415,088
Less:				
Campaign infrastructure	\$815,130	\$295,868	\$1,340,086	\$3,854,515

Gross Margin	\$2,009,163	\$2,413,420	\$3,591,637	\$2,560,573
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For More Information

In conjunction with this announcement, Snipp management will be holding a conference call on Tuesday August 30, 2016, at 12:00 P.M. (noon) Eastern Standard Time to discuss the Company's quarterly results for Q2 2016.

Q2 2016 QUARTER END CONFERENCE CALL DETAILS:

DATE: Tuesday, August 30, 2016
TIME: 12:00 P.M. (NOON) EST
DIAL IN NUMBER: International: 719-325-2323
North American Toll Free: 888-417-8525
Conference ID: - 5277533

A live and archived webcast of the conference call will be accessible on the "Investors" section of the Company's website under "Presentations" at www.snipp.com. To access the live webcast, please log in 15 minutes prior to the start of the call to download and install any necessary audio software.

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 full service offerings include shopper marketing promotions, loyalty, rewards, rebates and data analytics. We also provide clients with the expertise to create, manage and promote their marketing programs. SnippCheck, our unique receipt processing engine, is the market leader for receipt-based purchase validation. Snipp has powered hundreds of promotions and loyalty programs around the world for Fortune 1000 brands and world-class agencies and partners.

Snipp is headquartered in Washington, DC with offices across the United States, Canada, UK, Ireland, Europe, the Middle East and India. The company is publicly listed on the OTCQX, the highest tier of the OTC market in the United States of America, and on the Toronto Stock Venture Exchange (TSX) in Canada. Snipp was selected to the TSX Venture 50®, an annual ranking of the strongest performing companies on the TSX Venture Exchange, in 2015 and 2016.

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, labor 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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