Disclaimers

Note Regarding Forward-Looking Statements and use of Non-GAAP financials

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding guidance, our future results of operations or financial condition, business strategy and plans, user growth and engagement, product initiatives, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "going to," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions. 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These forward-looking statements are subject to risks, uncertainties, and other factors described in "Risk Factors" and elsewhere in our Annual Report on Form 10-K, for the year ended December 31, 2020 filed with the SEC, which is available on the SEC's website at www.sec.gov, including among other things: our financial performance, including our revenues, cost of revenues, operating expenses, and our ability to attain and sustain profitability; our ability to generate and sustain positive cash flow; our ability to attract and retain users and publishers; our ability to attract and retain advertisers; our ability to compete effectively with existing competitors and new market entrants; our ability to effectively manage our growth and future expenses; our ability to comply with modified or new laws and regulations applying to our business; our ability to maintain, protect, and enhance our intellectual property; our ability to successfully expand in our existing market segments and penetrate new market segments; our ability to attract and retain qualified employees and key personnel; our ability to repay outstanding debt; future acquisitions of or investments in complementary companies, products, services, or technologies; and the potential adverse impact of the COVID-19 pandemic on our business, operations, and the markets and communities in which we and our partners, advertisers, and users operate. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation or in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC, which is available on the SEC's website at www.sec.gov. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of our most recent Annual Report on Form 10-K. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. The forward-looking statements made in this presentation or in our most recent Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update or reflect any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, dispositions, joint ventures, restructurings, legal settlements, or investments. Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (Investor.snap.com), filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, including Snapchat and our website, to communicate with our members and the public about our company, our products, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website. This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. A reconciliation of GAAP to non-GAAP measures is provided in the appendix of this presentation.
Agenda

Evan Spiegel
Chief Executive Officer
Vision

Bobby Murphy
Chief Technology Officer
Camera & Augmented Reality

Jacob Andreou
VP, Product
Product to Platform

Peter Sellis
Sr. Director, Product
Platform to Business

Jeremi Gorman
Chief Business Officer
Monetization

Kenny Mitchell
Chief Marketing Officer
Marketing

Ben Schwerin
SVP, Content and Partnerships
Content & Partnerships

Jerry Hunter
SVP, Engineering
Infrastructure

Derek Andersen
Chief Financial Officer
Financials

Q&A Panel
Hosted by Julie Henderson
With Evan Spiegel, Derek Andersen and Jeremi Gorman

15 Minute Break
Evan Spiegel
Co-Founder and Chief Executive Officer
5 Billion Snaps
are created each and every day
Bobby Murphy
Co-Founder and Chief Technology Officer
Innovate Camera Technology
Create Exciting Experiences
Support AR Community
Over 1.5 million Lenses have been created by our community globally
SnapML
orange

laptop

guitar
Jacob Andreou
VP, Product
GOOD GOOD FOOD IS MOOD
Over 250 Million
Snapchatters use our Map every month

Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.
No Public Comments
Privacy by Default
Moderated Content
Privacy
Happiness
Positive Impact
Elliot's

Modern European Restaurant

467 Ratings

Closed

12 Stoney St, London, England

020 7403 7436 @elliotscafe.com

Directions

Send

Reviews

People talk about burgers, mussels, wine, seafood, and coffee.
Hey Mom. Free for a game?

Sure!!

Bitmoji Paint again?
EMMA
LMAO
Can't join rn maaaaahh
ME
Yo we should go out together this weekend
Over 1.2 Million
Snapchatters helped with voter registration

Snap Inc. internal data September 10, 2020 - October 12, 2020. See Snap Inc. public filings with the SEC.
DO IT YOUR SELF

TURMERIC HAIR & FACE MASK

How The Black Lives Matter Movement is Impacting India’s Obsession With Light Skin

Not only are India’s top skin-whitening brands removing the word “fair” from products or discontinuing them, even matrimonial websites are doing away with skin colour filters.

By Shamani Joshi
Peter Sellis
Sr. Director, Product
Impressions
Swipes
By advertising on Snapchat, you can achieve even your most ambitious goals.
In two years we went from approximately 90% Managed to **90% Self-Serve**.
More Demand

More Efficiency

More Diversity

Better ROI

Better Optimization

More Relevance
CPMs for inventory rose by 41% sequentially in Q4.

The cost per purchase decreased by 11% over the same period.
Snapchat Shows

Your ad and a user's first commercial

First Snapchat Show of the Day
Building the behavior of using AR as a utility
Making it easier to create and experiment
Pairing AR seamlessly with our ads platform
In a recent beta program, Snapchatters tried on products over **250 million** times and were **2.4x** more likely to click to purchase.

2. Snap Inc. internal data Q3 2020. Campaigns drove a 2.4x higher Intent lift than the average across all Snapchat campaigns measured in Q3.
Create Ads

How would you like to create today?

- **Instant Create**
  Create a single ad in less than 5 minutes. Add creative, define your audience and publish!

- **Advanced Create**
  Take full control over your ads. Create multiple ad sets with multiple ads for your campaign.
Map
City Boutique
Clothing Store

Address
123 Ghost St
Venice, CA

Website

Phone Number
+1 (310) 555-0100

Changes made to the business information above will be reviewed by our team and may take up to 2 business days to appear on your place profile. You can still create your ad in the meantime.

Next
Communications
LET’S WATCH

Something Nostalgic  Added by Alexandra
Psychological Thriller  Added by Mark
Something Your Friend  Added by Will
A Musical  Added by Emma

Pick Randomly

LET’S DO IT
Snapchat comprises less than 2% of the US digital ad market yet reaches nearly half of US smartphone users.
Digital Ad Market
Accelerating growth from favorable secular trends

Augmented Reality
Creating a new market

Small & Medium Sized Businesses
Creating a home for them on Snapchat
Self-Serve Advertising as a % of Digital Display Ad Spend

- 2016: 73%
- 2017: 79%
- 2018: 82%
- 2019: 84%
- 2020: 85%
- 2021E: 87%
- 2022E: 88%

eMarketer estimates, October 2020. Includes digital display ads transacted or fulfilled via automation.
= Revenue Growth
Large Brand Advertisers
+80% of parents of Gen Z report that this generation influences household spend.

62% Conversion Rate

+32% ROAS

+3.6% Purchase Lift

We’re thrilled to be an early adopter of Snapchat Brand Profiles, a great new way to showcase Universal’s titles with this key audience, from augmented reality to stories. We look forward to sharing our permanent home on the platform with the world.

Alex Sanger, EVP, Digital Marketing Strategy

Universal Pictures
Direct Response Advertisers
How to advertise on Snapchat with Instant Create

Learn how to advertise on Snapchat with Instant Create, the workflow that lets you create ads in less than five minutes.

January 29, 2020

Snapchat's Instant Create is a quick and easy way for advertisers to create Snapchat ads in less than five minutes with five simple steps. With Instant Create, you can run Snap Ads directly out of Snapchat's self-service Ads Manager tool to reach a highly engaged audience and grow your business with Snapchat.

When creating a campaign within Snapchat's Ads Manager, you have the option to choose Instant Create or Advanced Create. While Advanced Create gives you more control over your Snapchat ads and creates
Creative Ad Formats That Deliver Results

- Commercials (60 Forced View)
- Filter
- AR Lenses Experiences
- Story Ads (Series of 3-20 Snaps)
- Collection Ads
- Snap Ad With App Install
- Dynamic Product Ads
“We’re not looking to just sell our product—we’re really looking to build a proper emotional, intimate connection with the people on the other side of the screen. This vehicle format is perfect for that because we can get up close and personal.”

Justin Gaggino, Second in Command

HiSmile
Small and Medium Sized Businesses
Sarah

What are you doing? I'm nearby let's grab a coffee!

Me

Yes! Let's meet at Dweebs in 10 mins!

Sarah

See you soon!
It has become the highest performing, highest ROI platform that we use and we absolutely love it.

Alix Peabody, Founder & CEO

Bev
Global Agencies
Focus

Get Ads Manager Certified

Snapchat Advertising Essentials
Learn the ins and outs of Snapchat advertising. Whether you're looking to create a campaign, manage it, or make it even better, we've got you covered. Complete all six courses to earn your Ads Manager certification.
This is a community that loves interacting with brands in immersive environments. AR is going to be that expected experience that everyone – the Snapchatters and future generations – will all rely on.

Helen Lin, Chief Digital Officer

Publicis Media
Focus Verticals
adidas X 19.1 Turf Boots
£99.95
Free Delivery

$10

Minimum on the Popeyes App

Free delivery with purchase of $10. Prices higher on delivery.

TM & © 2020 Popeyes Louisiana Kitchen, Inc.
Kenny Mitchell
Chief Marketing Officer
Our Community
Advertising Partners
Meet the Snapchat Generation
Snapchat reaches **over 90%** of 13-24 year olds in the US, UK, France, Australia and the Netherlands.

Snapchat reaches **over 75%** of 13-34 year olds in the US, UK, France, Australia and the Netherlands.

Approximately 80% of Snapchat’s reach is above the age of 18.

Data from Snap Ads Manager Q4 2020.
Millenials & Gen Z in the US have over $1 Trillion in direct spending power
The average US adult spends 29 more minutes per day with mobile content compared to TV

Strategic Marketing Initiatives
Tentpole Moments
+25% Lift in DAU

+75% Story Posters
Growing Up Together
Growing Our Advertiser Base
In the US and France, roughly 90% of advertisers who consider Snapchat go on to spend on the platform.
Advertisers are 50% more likely to consider Snapchat due to the campaign.
Focus

Get Ads Manager Certified

Snapchat Advertising Essentials
Learn the ins and outs of Snapchat advertising. Whether you're looking to create a campaign, manage it, or make it even better, we've got you covered. Complete all six courses to earn your Ads Manager certification.
Snap Connect
Learn about direct-response advertising on Snapchat, straight from the experts.

Snap Connect: E-Commerce
Learn how Snapchat's direct-response solutions help e-commerce advertisers drive action with an unduplicated audience. Complete one of the two tracks to earn your certification.
Ben Schwerin
SVP, Content & Partnerships
In Q4 2020, 25 different channels on Discover had a monthly audience of 20+ million viewers.
Total daily time spent watching Shows increased by nearly 70% in 2020.
SNAP ORIGINAL

RYAN DOESN'T KNOW
SNAP ORIGINAL

WHILE BLACK

WITH MK ASANTE
Games & Minis
Scarlett Johansson reprises her role as Natasha/Black Widow in Marvel Studios’ action-packed spy thriller “Black Widow”—the first film in Phase Four of the...
1,000 Apps
have integrated with Snap Kit
Cloud-Based Infrastructure From Day One
Backend Base Layer
Snap Base Layer

User Identity Tools
The Friend Graph
Privacy, Spam and Abuse Tools
We reduced the median latency of sending Snaps by **over 20%**

Snap Inc. internal data December 2020 vs. December 2019.
We reduced our messaging unit costs by \textit{at least 25}\%
Separating the Platforms
## Product Innovation 2019-2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote Local Place</td>
<td>- Deep Neural Network AR</td>
</tr>
<tr>
<td>Places on Snap Map</td>
<td>- Music Lenses</td>
</tr>
<tr>
<td>Actionmojis</td>
<td>- Dynamic Lenses</td>
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<tr>
<td></td>
<td>- Bitmoji Stories</td>
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<tr>
<td></td>
<td>- Snap Minis</td>
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<tr>
<td></td>
<td>- Story Replies</td>
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<tr>
<td></td>
<td>- Here for You</td>
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<tr>
<td></td>
<td>- Bitmoji for Games</td>
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<td></td>
<td>- SnapML</td>
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<tr>
<td></td>
<td>- Landmarkers</td>
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<tr>
<td></td>
<td>- Local Lenses</td>
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<tr>
<td></td>
<td>- Bitmoji TV</td>
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<tr>
<td></td>
<td>- Happening Now</td>
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<tr>
<td></td>
<td>- Creator Profiles</td>
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<tr>
<td></td>
<td>- Snap Select</td>
</tr>
<tr>
<td></td>
<td>- Topics for Our Story</td>
</tr>
<tr>
<td></td>
<td>- Spotlight</td>
</tr>
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Derek Andersen
Chief Financial Officer
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Focus on Growth and Profitability

Average DAU (M)\(^1\)

- 188 in 2018
- 205 in 2019
- 245 in 2020

\(+14\%\) CAGR

Full year revenue ($M)\(^2\)

- $1,180 in 2018
- $1,716 in 2019
- $2,507 in 2020

\(+46\%\) CAGR

Full year adjusted EBITDA ($M)\(^2\)

- $(576) in 2018
- $(202) in 2019
- $(45) in 2020

47\% average annual 
\(4\times\)EBITDA leverage

Full year net loss ($M)

- $(1,256) in 2018
- $(1,034) in 2019
- $(945) in 2020

---

1. Snip Inc. internal data 2018-2020. See Snip Inc. public filings with the SEC.
2. We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense); net income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.
Global Penetration

North America

23% Penetration
92M DAU

~400M Smartphones

Europe

13% Penetration
74M DAU

~560M Smartphones

Rest of the World

4% Penetration
99M DAU

~2.4B Smartphones

1. Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.
2. eMarketer & Newzoo 2020 smartphone estimates.
3. Percentage calculated by dividing Snap Inc. DAU by total smartphone estimate.
International Growth Playbook

**Local Language**
- 35 Languages currently supported\(^1\)

**Local Lenses**
- 1.5M+ Lenses launched\(^2\)
- 150K+ Active lens creators globally\(^3\)

**Local Content**
- Nearly 500 Content partners in 17 Countries around the World\(^4\)

**Local Marketing**
- Generate awareness through local marketing initiatives

**Local Partnerships**
- Preload partnerships with major handset OEM’s provide placement & promotion:
  - SAMSUNG
  - vivo
- Partnerships with local telcos ensure attractive data rating and promotion:
  - ooredoo
  - telcel

---
\(^1\) Snap Inc. internal data as of January 2021
\(^2\) Snap Inc. internal data as of September 30, 2020.
\(^3\) Snap Inc. internal data 2020.
\(^4\) Snap Inc. internal data January 22, 2015 - January 29, 2021.
# International Growth Case Study: India

## Why India is an Attractive Market

<table>
<thead>
<tr>
<th>WHY INDIA IS AN ATTRACTIVE MARKET</th>
<th>INITIATIVES</th>
<th>PROOF POINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 8% annual growth in 4G and 5G mobile subscribers through 2023&lt;sup&gt;1&lt;/sup&gt;</td>
<td>9 Local languages supported&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Over 100% YoY DAU growth in each of the last four quarters&lt;sup&gt;6&lt;/sup&gt;</td>
</tr>
<tr>
<td>Over 11% annual growth in nominal GDP per capita through 2023&lt;sup&gt;2&lt;/sup&gt;</td>
<td>85 Local Discover channels&lt;sup&gt;4&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5K+ Local lens creators&lt;sup&gt;5&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

---

1. Informa Tech February 7, 2021
2. IHS Markit, Ministry of Statistics & Programme Implementation of India (MOSPI), United Nations (UN), January 15, 2021
3. Snap Inc. internal data January 2021
5. Snap Inc. internal data 2020.
6. Snap Inc. internal data 2020 vs. 2019. See Snap Inc. public filings with the SEC.
Representative Established Markets

U.S.  U.K.  Australia  France  Netherlands

Above
90%
13-24 penetration

Above
75%
13-34 penetration

Representative Growth Opportunity Markets

India  Indonesia  Mexico  Spain  Italy

Less than
20%
13-24 penetration

Less than
15%
13-34 penetration

Less than
45%
13-24 penetration

Less than
35%
13-34 penetration

We define ARPU as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity. See Snap Inc. public filings with the SEC.
Significant DAU and ARPU Opportunity

Comparison is illustrative as each company calculates daily active users differently.

1. Snap Inc. includes the U.S., Canada, Mexico, the Caribbean, and Central America. Facebook includes the U.S. and Canada only. Twitter includes the U.S. only.
2. Snap Inc. internal data for Q3 2020 as compared to publicly reported Facebook and Twitter data for Q3 2020. We define a Daily Active User as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. Twitter’s monetizable Daily Active Users are shown and is defined by the Company as people, organizations, or other accounts who logged in or were otherwise authenticated and accessed Twitter on any given day through twitter.com or Twitter applications that are able to show ads. Facebook defines Daily Active Users based on user activity only on Facebook and Messenger and not on the Company’s other products.
3. Snap Inc. internal data for Q4 2019 - Q3 2020 as compared to publicly reported Facebook and Twitter data for Q4 2019 - Q3 2020. We define ARPU as quarterly revenue divided by the average Daily Active Users. Twitter’s ARPU is calculated as quarterly revenue divided by the average monetizable Daily Active Users. Facebook’s ARPU is calculated as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. See Snap Inc. public filings with the SEC.
Snapchat reaches **70%+** of 13-34 year olds in countries comprising *over half* the world’s digital ad spend.
Double down on brand safe content investments

**Opportunity**
- Growing engagement is expanding the ARPU opportunity
- Large CPM opportunity from increasing advertiser density
- Investing in brand safe premium content to capitalize on shift to mobile
- Ongoing adoption of Commercials ad unit

**Current Momentum**
- Nearly 70% increase in time spent watching Shows in 2020¹
- 70 Shows with a monthly audience of more than 10 million viewers each²
- Commercials revenue have more than doubled year over year in each quarter of 2020³

---

2. Snap Inc. internal data Q4 2020.
3. Snap Inc. internal data.
Invest in new capabilities and find product market fit for AR advertising

**Opportunity**

- Virtually unlimited ad inventory from core user behaviors
- Finding new use cases to create utility and ROI for advertisers
- Adoption of self serve and goal based bidding ad units growing rapidly
- Early product market fit for AR try-on and product sampling advertising

**Current Momentum**

- 30 app opens per day on average\(^1\)
- **Over 5 billion** Snaps taken per day on average\(^2\)
- **Over 200 million** Snapchatters engage with AR every day\(^2\)
- **Over 1.5 million** AR Lenses created by our community to date\(^3\)

---

1. Snap Inc. internal data. Average for Daily Active Users Q4 2020. See Snap Inc. public filings with the SEC.
2. Snap Inc. internal data. Q4 2020. See Snap Inc. public filings with the SEC.
Untapped ad supply from user generated content

Opportunity
Engagement ramping rapidly as we focus on utility for Snapchatters
Excited about the opportunity for Spotlight to contribute to our ARPU opportunity over time
Will expand inventory of high demand and high CPM ad products

Current Momentum
Over 100 million Monthly Active Users
Over 175,000 submissions per day

1. Snap Inc. internal data January 2021. We define a Monthly Active User as a registered Snapchat user who opens the Snapchat application at least once during the 30-day period ending on the calendar month-end.
Create the world’s most personalized map

**Opportunity**
Onboard local brick and mortar businesses as our communities re-open
Build utility on the Map for local businesses in 2021 to lay the groundwork for future monetization

**Current Momentum**
- **Over 250 million** Monthly Active Users
- **Over 35 million** business place listings currently on the Map

1. Snap Inc. internal data Q4 2020.
Communications Platform

Visual communication and shared experiences create monetizable engagement

Opportunity
- Sharing of sponsored lenses and filters underpin monetization today
- Games and Minis present opportunity to scale monetization
- Commercials and Tokens (beta stage) available in Games
- Focused on delivering utility for Snapchatters through Minis in near term

CURRENT MOMENTUM
- **Over 30 million** Snapchatters play games each month¹
- **Over 14 million** Snapchatters have tried our recent game Aquapark Multiplayer Edition²
- **Over 1.2 million** Snapchatters registered to vote through our Democracy Works mini³

---

¹ Snap Inc. internal data January 2021.
² Snap Inc. internal data October 1, 2020 - January 3, 2021. See Snap Inc. public filings with the SEC.
³ Snap Inc. internal data September 10, 2020 - October 12, 2020. See Snap Inc. public filings with the SEC.
Building Blocks for Sustained Growth

**Full year revenue ($M)**

- 2018: $1,180
- 2019: $1,716
- 2020: $2,507

*Monetization platform and ad products delivering return on ad spend for advertising partners*

**Average revenue per user**

- 2018: $6.29
- 2019: $8.29
- 2020: $10.09

**Outlook**

- We see a path to sustained revenue growth of ~50% for several years assuming favorable economic conditions.

- Ongoing investments in **Discover** and premium content to drive engagement and inventory growth.

- **Spotlight** to expand premium inventory supply.

- **Augmented Reality** increasingly an ROI driving tool for advertisers, giving Snap a key point of differentiation.

- **Map** is an untapped opportunity to bring millions of small business onto the Snap advertising platform.

- Games and Minis to expand **Communication** monetization opportunity over the medium and longer term.

- Will favor community over short term growth rates as we roll out new areas of monetization to maximize long term value.

---

We define ARPU as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. See Snap Inc. public filings with the SEC.
Scaling Efficiently to Drive Gross Margin Leverage

Infra per DAU has remained relatively flat over time...

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual infrastructure costs per DAU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2.92</td>
</tr>
<tr>
<td>2019</td>
<td>$2.85</td>
</tr>
<tr>
<td>2020</td>
<td>$2.78</td>
</tr>
</tbody>
</table>

...allowing us to make targeted investments in content...

<table>
<thead>
<tr>
<th>Year</th>
<th>Content costs as a percentage of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10.6%</td>
</tr>
<tr>
<td>2019</td>
<td>8.8%</td>
</tr>
<tr>
<td>2020</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

...while still delivering substantial improvements in gross margins

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted gross margin</th>
<th>Gross margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>2019</td>
<td>49%</td>
<td>48%</td>
</tr>
<tr>
<td>2020</td>
<td>54%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Outlook

- Gross margins to expand in 2021 with clear path to 60%+ over the medium term
- Continued focus on scaling infrastructure efficiently
- Investments in content to expand the ARPU opportunity
- Margin expansion to be driven by infrastructure efficiency and revenue mix shift to platforms with lower variable partner costs
- Rate of margin expansion will vary with revenue growth

1. Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of GAAP gross margins to Non-GAAP gross margins.
Balanced Approach to Investment Driving Path to Profitability

Adjusted operating expense discipline driving...

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Operating Expenses</th>
<th>Non-GAAP Exclusions</th>
<th>GAAP Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$988</td>
<td>$662</td>
<td>$1,650</td>
</tr>
<tr>
<td>2019</td>
<td>$1,050</td>
<td>$873</td>
<td>$1,923</td>
</tr>
<tr>
<td>2020</td>
<td>$1,311</td>
<td>$875</td>
<td>$2,186</td>
</tr>
</tbody>
</table>

...leading to adjusted EBITDA profitability²

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$(576)</td>
</tr>
<tr>
<td>2019</td>
<td>$(202)</td>
</tr>
<tr>
<td>2020</td>
<td>$45</td>
</tr>
</tbody>
</table>

...significant adjusted EBITDA leverage³...

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>41%</td>
</tr>
<tr>
<td>2019</td>
<td>70%</td>
</tr>
<tr>
<td>2020</td>
<td>31%</td>
</tr>
</tbody>
</table>

Outlook

- Balancing approach to investing in the business
- Adjusted operating expense growth in the mid-30% range in 2021, up from 25% in 2020
- Committed to sustained Adjusted EBITDA profitability and continued financial progress
- Lean capex strategy will drive close connection between adj EBITDA and FCF over time

1. Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses.
2. We define Adjusted EBITDA as net income (loss), excluding interest income, interest expense, other income (expense), net income tax benefit (expense), depreciation and amortization, stock-based compensation expense and related payroll tax expense, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.
3. We define Adjusted EBITDA leverage as the year-over-year change in Adjusted EBITDA divided by the year-over-year change in revenue. Adjusted EBITDA. See Snap Inc. public filings with the SEC.
Careful Management of SBC to Build Shareholder Value

Stock-based compensation expense as a % of revenue

- 2018: 47%
- 2019: 42%
- 2020: 33%

Net loss as a % of revenue

- 2018: 106%
- 2019: 60%
- 2020: 38%

Fully diluted shares outstanding (M)

- 2018: 1,507
- 2019: 1,576
- 2020: 1,630

Disciplined management of SBC

- Stock-based compensation accounts for over 80% of the difference between Adjusted EBITDA and GAAP Net Income
- Fosters ownership culture across the entire team
- Achieving sustained positive FCF will create additional options to manage fully diluted shares outstanding
- Growth in fully diluted share count went from 4.8% in 2019 to 3.4% in 2020
- See path to sub-3% growth in FDSO in near term excluding any material M&A or financing activity, including potential dilutive impacts from convertible notes already issued
Capital Allocation

**Building a Strong Balance Sheet to Ensure Strategic Flexibility**
- $2.5 billion in cash and marketable securities
- Conservative financial leverage at -2% of market capitalization
- No debt maturing before 2025

**Investments to Drive Organic Growth in Top Line**
- Focus investments in our talent base to drive innovation
- Investments in Product and Content to expand the ARPU opportunity over time
- Investments in Marketing to grow the community and expand our TAM

**Future Investments to Accelerate Product Roadmap**
- Well established track record of acquisitions and investments to accelerate our product roadmap
- Building a strong balance sheet ensures we are prepared when opportunities are available

1. Net Leverage as of December 31, 20XX.
<table>
<thead>
<tr>
<th>Company</th>
<th>Acquired Date</th>
<th>Industry</th>
<th>Description</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Looksery</td>
<td>April 2015</td>
<td>Camera</td>
<td>Application allows users to communicate through augmented reality face filters</td>
<td>Accelerate our augmented reality Lenses product with facial recognition technology</td>
</tr>
<tr>
<td>Bitstrips</td>
<td>March 2016</td>
<td>Communication</td>
<td>Bitmoji application lets users create customized cartoon avatars</td>
<td>Integrate Bitmoji avatars into Snapchat to empower self-expression</td>
</tr>
<tr>
<td>PlayCanvas</td>
<td>March 2017</td>
<td>Games</td>
<td>Cloud-hosted development platform for building games and 3D content</td>
<td>Accelerate our Snap Games product roadmap</td>
</tr>
<tr>
<td>Zenly</td>
<td>May 2017</td>
<td>Map</td>
<td>Social map where you can interact with your close friends</td>
<td>Accelerate and enhance our Map platform with location-sharing capabilities</td>
</tr>
<tr>
<td>Ariel AI</td>
<td>September 2020</td>
<td>Camera</td>
<td>AI software enabling 3D human perception</td>
<td>Adds capabilities to our AR Lenses</td>
</tr>
<tr>
<td>StreetCred</td>
<td>September 2020</td>
<td>Map</td>
<td>Marketplace where users are rewarded for providing location data</td>
<td>Critical long-term strategy to help Snapchatters understand the world around them</td>
</tr>
<tr>
<td>Voca.ai</td>
<td>December 2020</td>
<td>Camera</td>
<td>AI-powered voice assistants intended to replace customer service agents</td>
<td>Accelerate our Voice AI and ML efforts, which are key building blocks for our AR roadmap</td>
</tr>
</tbody>
</table>
Long Term Value Creation

- Executing our international growth playbook to grow our community for the long term
- Investing in innovation to deepen engagement and expand the ARPU opportunity
- Sophisticated ad platform, and innovative ad units, deliver return on ad spend for partners
- Scale operations efficiently, and balance investments with growth, to drive positive free cash flow
- Conservative balance sheet to prepare for the unexpected and fund the opportunistic
Thank You
Appendix
## Non-GAAP Financial Measures Reconciliation

_(in thousands, unaudited)_

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Free Cash Flow Reconciliation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>$ (689,924)</td>
<td>$ (304,958)</td>
<td>$ (167,644)</td>
</tr>
<tr>
<td>Less: Purchases of property and equipment</td>
<td>(120,242)</td>
<td>(36,478)</td>
<td>(57,832)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$ (810,166)</td>
<td>$ (341,436)</td>
<td>$ (225,476)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBITDA Reconciliation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (1,255,911)</td>
<td>$ (1,033,660)</td>
<td>$ (944,839)</td>
</tr>
<tr>
<td>Add (deduct):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>(27,228)</td>
<td>(36,042)</td>
<td>(18,127)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,894</td>
<td>24,994</td>
<td>97,228</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>8,248</td>
<td>(59,013)</td>
<td>(14,988)</td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>2,547</td>
<td>393</td>
<td>18,654</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>91,648</td>
<td>87,245</td>
<td>86,744</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>538,211</td>
<td>686,013</td>
<td>770,182</td>
</tr>
<tr>
<td>Payroll tax expense related to stock-based compensation</td>
<td>21,927</td>
<td>27,840</td>
<td>50,309</td>
</tr>
<tr>
<td>Securities class actions legal charges</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Lease exit charges</td>
<td>31,143</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reduction in force charges</td>
<td>9,884</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$ (575,637)</td>
<td>$ (202,230)</td>
<td>$ 45,163</td>
</tr>
</tbody>
</table>

---

1We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.

2We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense); net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Securities class actions legal charges related to a preliminary agreement to settle the securities class actions that arose following our IPO. Charges recorded are net of amounts directly covered by insurance. These charges are non-recurring and not reflective of underlying trends in our business.
Non-GAAP Financial Measures Reconciliation (Continued)
(in thousands, unaudited)

Cost of Revenue Breakdown

<table>
<thead>
<tr>
<th>Total Adjusted Cost of Revenue</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Non-GAAP Exclusions¹</td>
<td>$31</td>
<td>$28</td>
<td>$33</td>
</tr>
<tr>
<td>Total GAAP Cost of Revenue</td>
<td>$799</td>
<td>$896</td>
<td>$1,183</td>
</tr>
</tbody>
</table>

¹Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization and certain other non-cash or non-recurring items impacting net income (loss) from time to time.