

# Snap Inc.

## Investor Presentation

October 2022

# Disclaimers

## Note Regarding User Metrics and Other Data

We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average DAUs for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter. DAUs are broken out by geography because markets have different characteristics. We define average revenue per user, or ARPU, as quarterly revenue divided by the average DAUs. 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. This allocation differs from our components of revenue disclosure in the notes to our consolidated financial statements, where revenue is based on the billing address of the advertising customer. For information concerning these metrics as measured by us, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent periodic report filed with the U.S. Securities and Exchange Commission, or the SEC, which is available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Additional information will be made available in our periodic report that will be filed with the SEC for our most recently completed period and other filings that we make from time to time with the SEC. Unless otherwise stated, statistical information regarding our users and their activities is determined by calculating the daily average of the selected activity for the most recently completed quarter included in this presentation. While these metrics are determined based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally. For example, there may be individuals who have unauthorized or multiple Snapchat accounts, even though we forbid that in our Terms of Service and implement measures to detect and suppress that behavior. We have not determined the number of such multiple accounts. Changes in our products, infrastructure, mobile operating systems, or metric tracking system, or the introduction of new products, may impact our ability to accurately determine active users or other metrics and we may not determine such inaccuracies promptly. We also believe that we don’t capture all data regarding each of our active users. Technical issues may result in data not being recorded from every user’s application. For example, because some Snapchat features can be used without internet connectivity, we may not count a DAU because we don’t receive timely notice that a user has opened the Snapchat application. This undercounting may increase as we grow in Rest of World markets where users may have poor connectivity. We do not adjust our reported metrics to reflect this underreporting. We believe that we have adequate controls to collect user metrics, however, there is no uniform industry standard. We continually seek to identify these technical issues and improve both our accuracy and precision, including ensuring that our investors and others can understand the factors impacting our business, but these technical issues and new issues may continue in the future, including if there continues to be no uniform industry standard. Some of our demographic data may be incomplete or inaccurate. For example, because users self-report their dates of birth, our age-demographic data may differ from our users’ actual ages. And because users who signed up for Snapchat before June 2013 were not asked to supply their date of birth, we may exclude those users from our age demographics or estimate their ages based on a sample of the self-reported ages that we do have. If our active users provide us with incorrect or incomplete information regarding their age or other attributes, then our estimates may prove inaccurate and fail to meet investor expectations. See <https://businesshelp.snapchat.com/> for details. In the past we have relied on third-party analytics providers to calculate our metrics, but today we rely primarily on our analytics platform that we developed and operate. We count a DAU only when a user opens the application and only once per user per day. We believe this methodology more accurately measures our user engagement. We have multiple pipelines of user data that we use to determine whether a user has opened the application during a particular day, and becoming a DAU. This provides redundancy in the event one pipeline of data were to become unavailable for technical reasons, and also gives us redundant data to help measure how users interact with our application. If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. We regularly review, have adjusted in the past, and are likely in the future to adjust our processes for calculating our internal metrics to improve their accuracy. As a result of such adjustments, our DAUs or other metrics may not be comparable to those in prior periods. Our measures of DAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

## 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 of 1933 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, objectives of management for future operations, and advertiser and partner offerings, 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. We caution you that the foregoing may not include all of the forward-looking statements made in this presentation. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends, including our financial outlook, geo-political conflicts, the COVID-19 pandemic, and macroeconomic conditions, that we believe may continue to affect our business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks and uncertainties related to: our financial performance; our ability to attain and sustain historical profitability; our ability to generate and sustain positive cash flow; our ability to attract and retain users, publishers, and advertisers; competition and new market entrants; managing our international expansion and our international expansion and our growth and future expenses; compliance with modified and new laws, regulations, and executive actions; our ability to maintain, protect, and enhance our intellectual property; our ability to succeed in existing and new market segments; our ability to attract and retain qualified employees and key personnel; our ability to repay outstanding debt; future acquisitions, divestitures or investments; and the potential adverse impact of climate change, natural disasters, health epidemics, macroeconomic conditions, war and other armed conflict, as well as risks, uncertainties, and other factors described in “Risk Factors” and elsewhere in our most recent periodic report filed with the SEC, which is available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Additional information will be made available in our periodic report that will be filed with the SEC for our most recently completed period and other filings that we make from time to time with the SEC. 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. 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 this presentation. 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 relate only to events as of the date on which the statements are made. We undertake no obligation to update 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, including future developments related to geo-political conflicts, the COVID-19 pandemic, and macroeconomic conditions, 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 websites (including [investor.snap.com](http://investor.snap.com)), filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, including Snapchat and our websites, 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 websites. 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.

# **Snap Inc. Is a Camera Company**

We believe that reinventing the camera represents our greatest opportunity to improve the way people live and communicate.

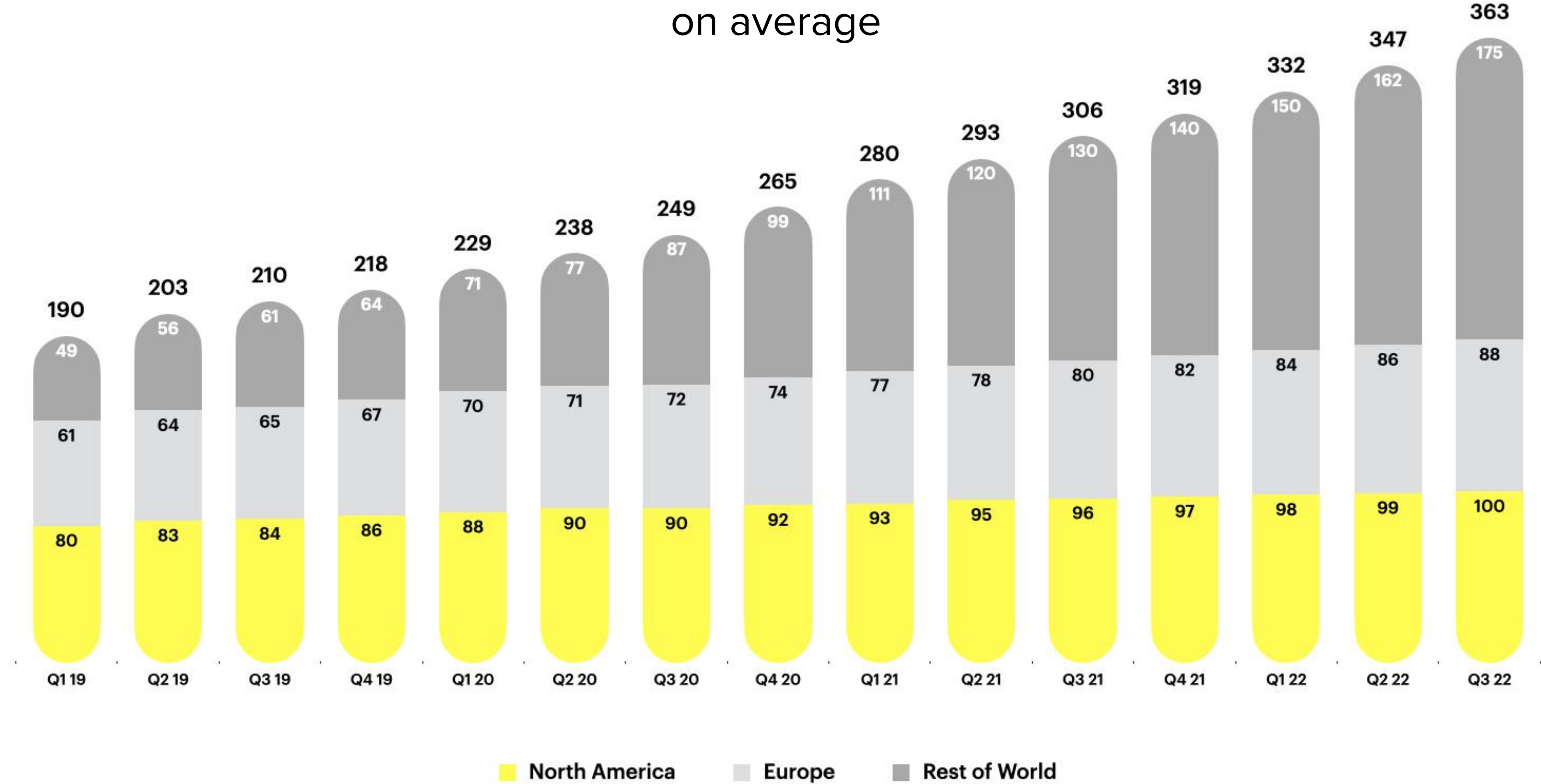
We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

# Our Community

# Strong Growth in Our Community

## 363M Daily Active Users

on average



Snap Inc. internal data Q1 2019–Q3 2022. See Snap Inc. public filings with the SEC.

# In 20+ countries, Snap reaches

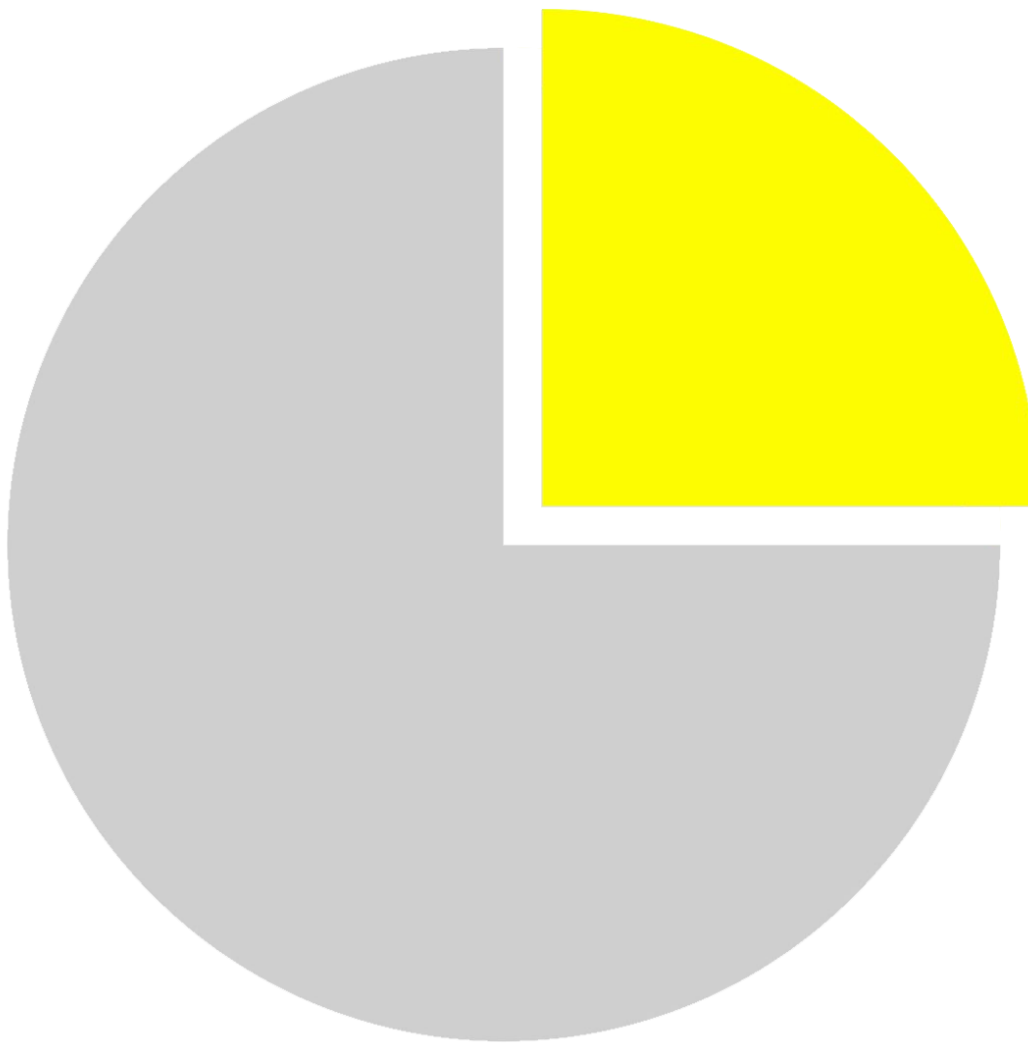
**90%**  
of the 13 to 24-year-old population.

**75%**  
of the 13 to 34-year-old population.

# Significant Opportunity to Globally Expand Our Community

North America

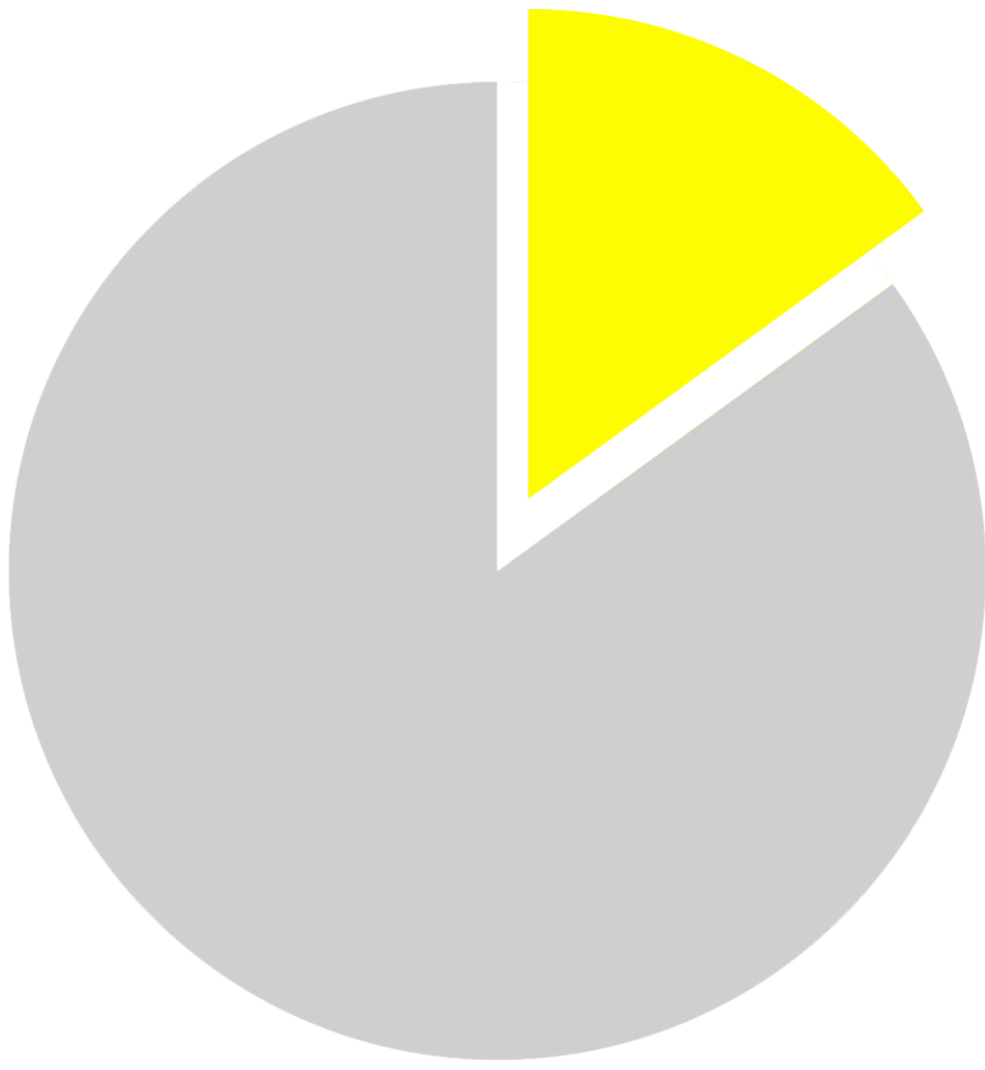
25% Penetration<sup>3</sup>  
*100M DAUs<sup>1</sup>*



**~400M Smartphones<sup>2</sup>**

Europe

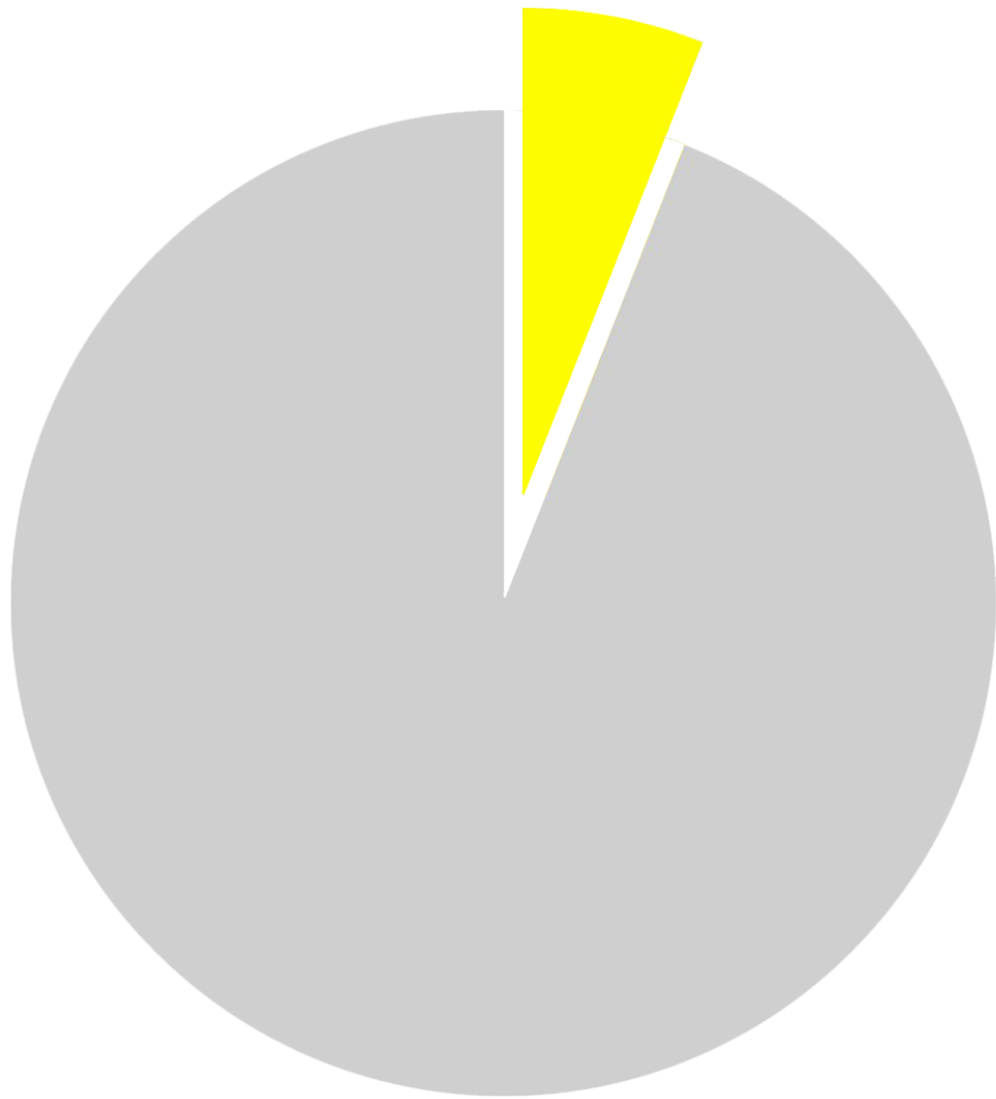
16% Penetration<sup>3</sup>  
*88M DAUs<sup>1</sup>*



**~560M Smartphones<sup>2</sup>**

Rest of World

7% Penetration<sup>3</sup>  
*175M DAUs<sup>1</sup>*



**~2.5B Smartphones<sup>2</sup>**

<sup>1</sup> Snap Inc. internal data Q3 2022. See Snap Inc. public filings with the SEC.  
<sup>2</sup> eMarketer 2022 smartphone estimates, Feb. 2022.  
<sup>3</sup> Percentage calculated by dividing Snap Inc. Q3 2022 daily active users (DAUs) by total smartphone estimate.

# International Growth Playbook

LOCAL LANGUAGE

**40+**  
languages  
currently  
supported.<sup>1</sup>

LOCAL LENSES

**2.5M+**  
Lenses launched.<sup>2</sup>

**250K+**  
active Lens  
Creators globally.<sup>2</sup>

LOCAL CONTENT

**500+**  
international content  
partners in

**20+**  
countries  
internationally.<sup>3</sup>

LOCAL MARKETING

Generate  
awareness  
through local  
marketing  
initiatives.

LOCAL PARTNERSHIPS

Preloaded partnerships  
with major handset  
OEMs provide  
placement and promotion.

**SAMSUNG vivo**

Partnerships with  
local telcos ensure  
attractive data rating  
and promotion.



<sup>1</sup>Snap Inc. internal data as of Oct. 2022.  
<sup>2</sup>Snap Inc. internal data as of Dec. 31, 2021.  
<sup>3</sup>Snap Inc. internal data Jan. 2015–Sept. 2022.

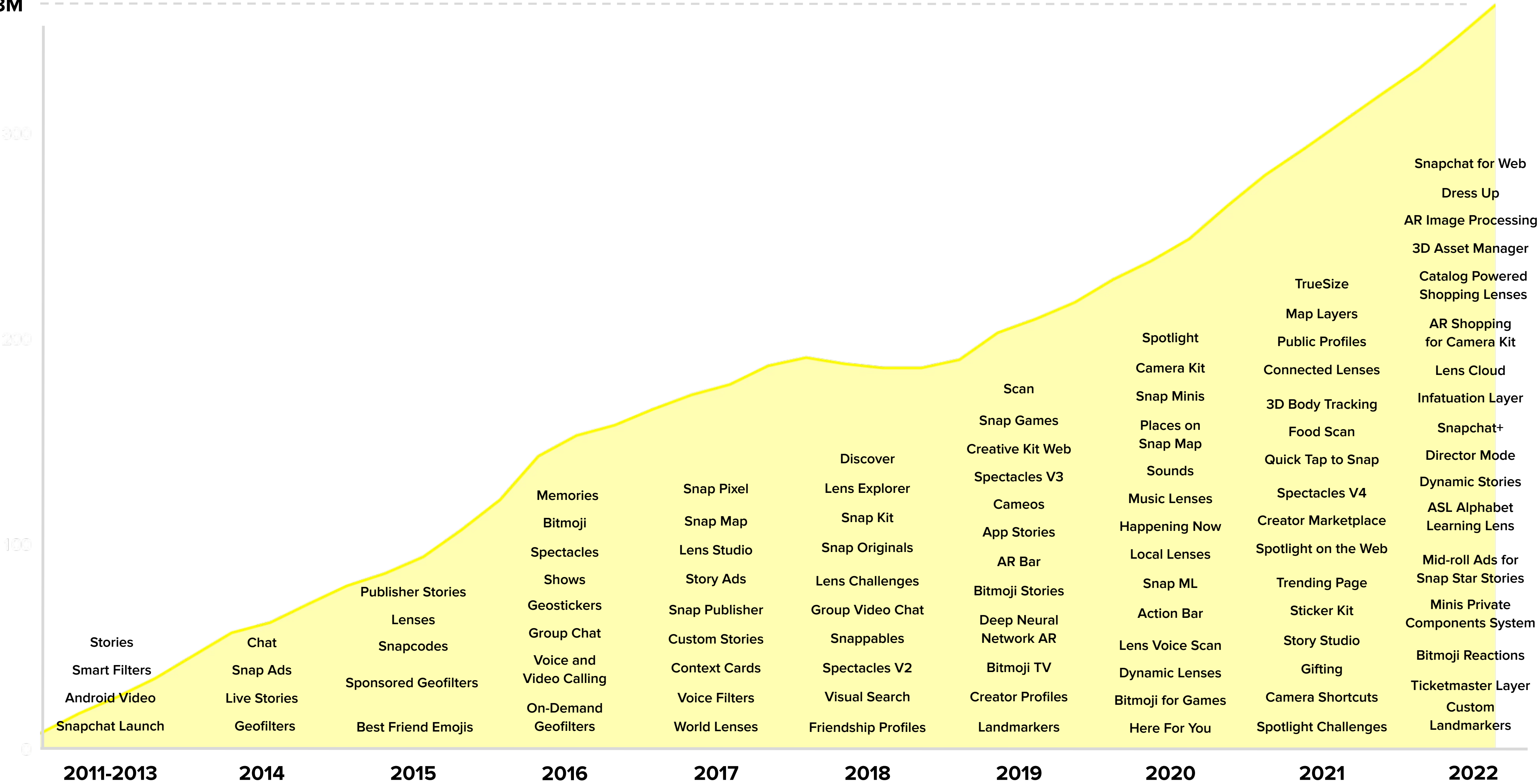
# Snapchat

# Demonstrated Track Record of Innovation

Daily Active Users



363M

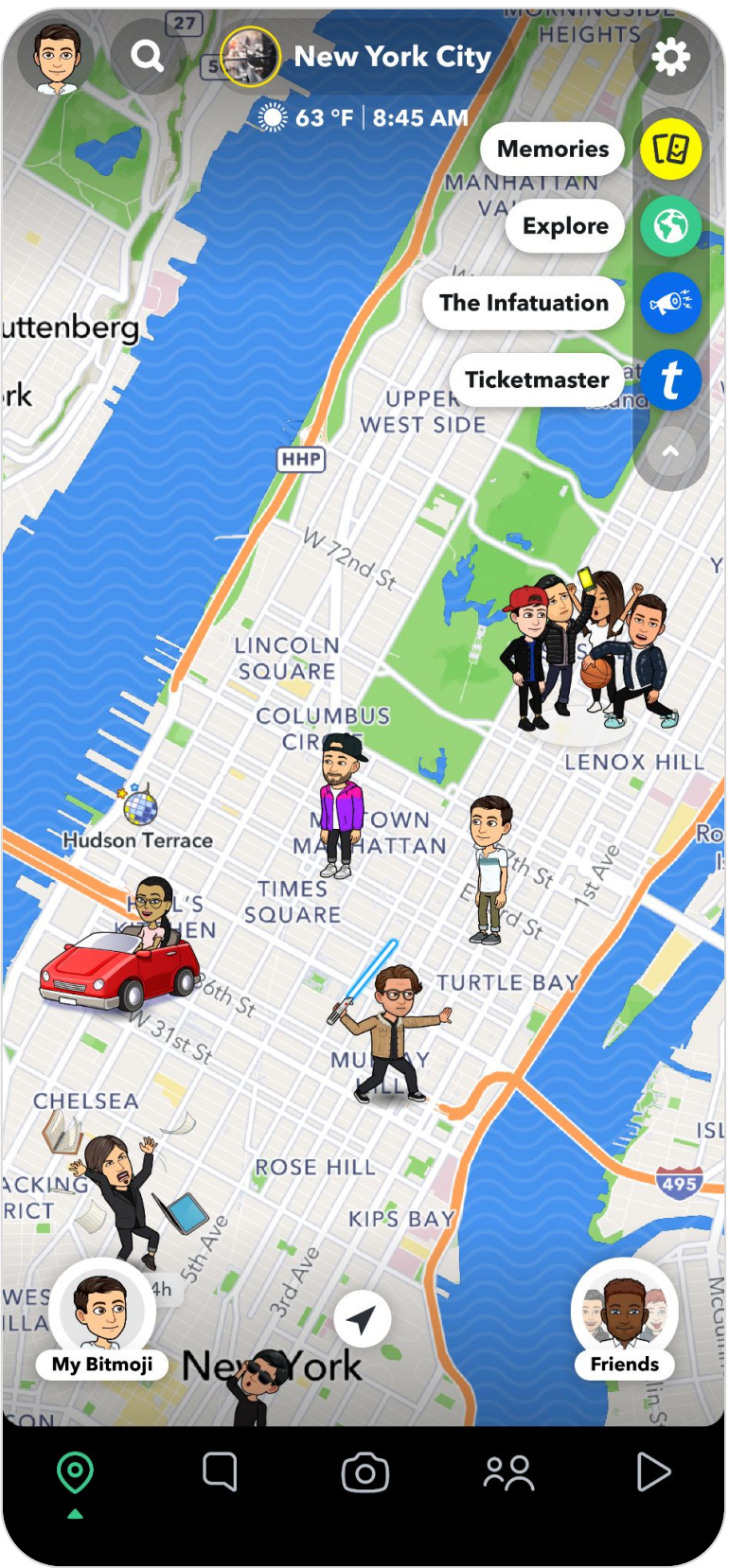


Snap Inc. internal data Q3 2022. See Snap Inc. public filings with the SEC.

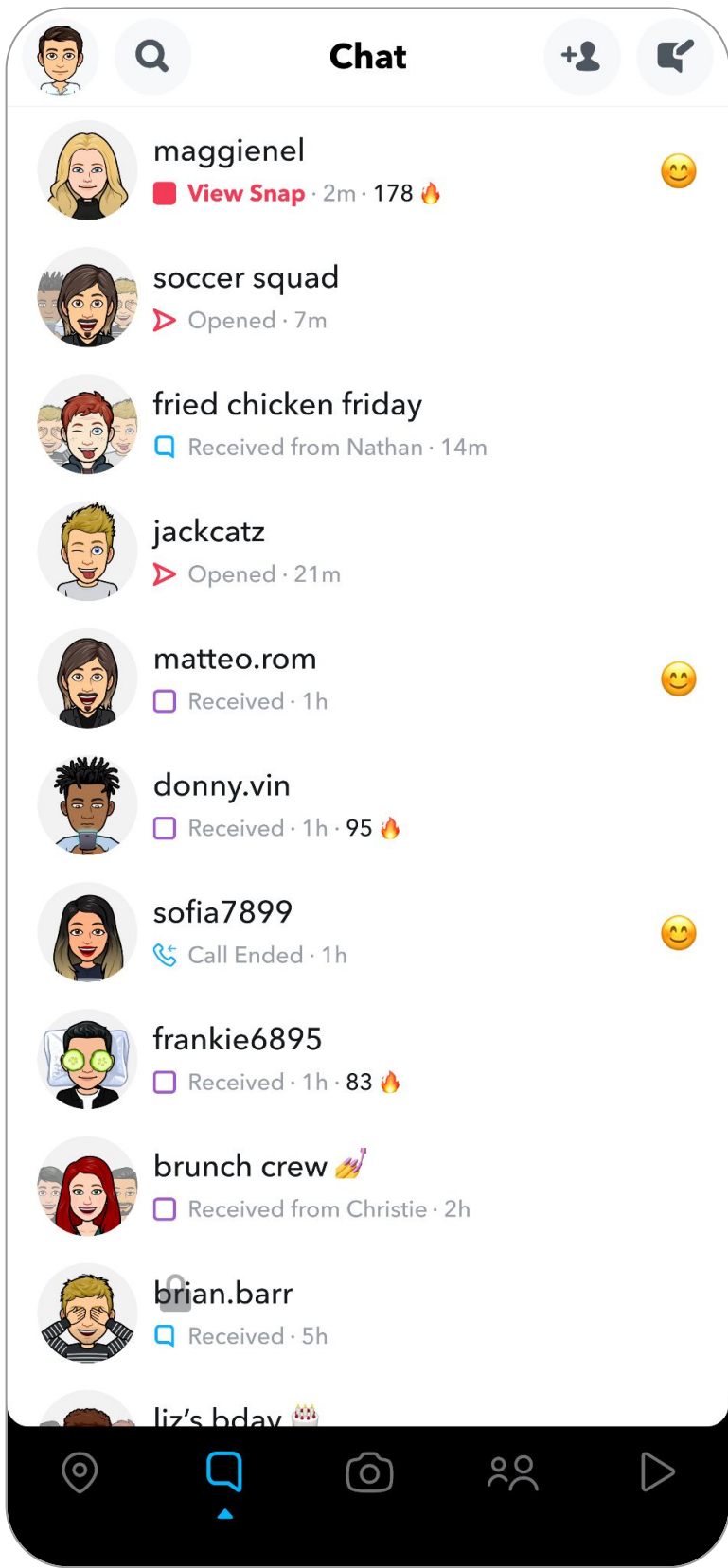
# The Snapchat Experience

Five Core Platforms

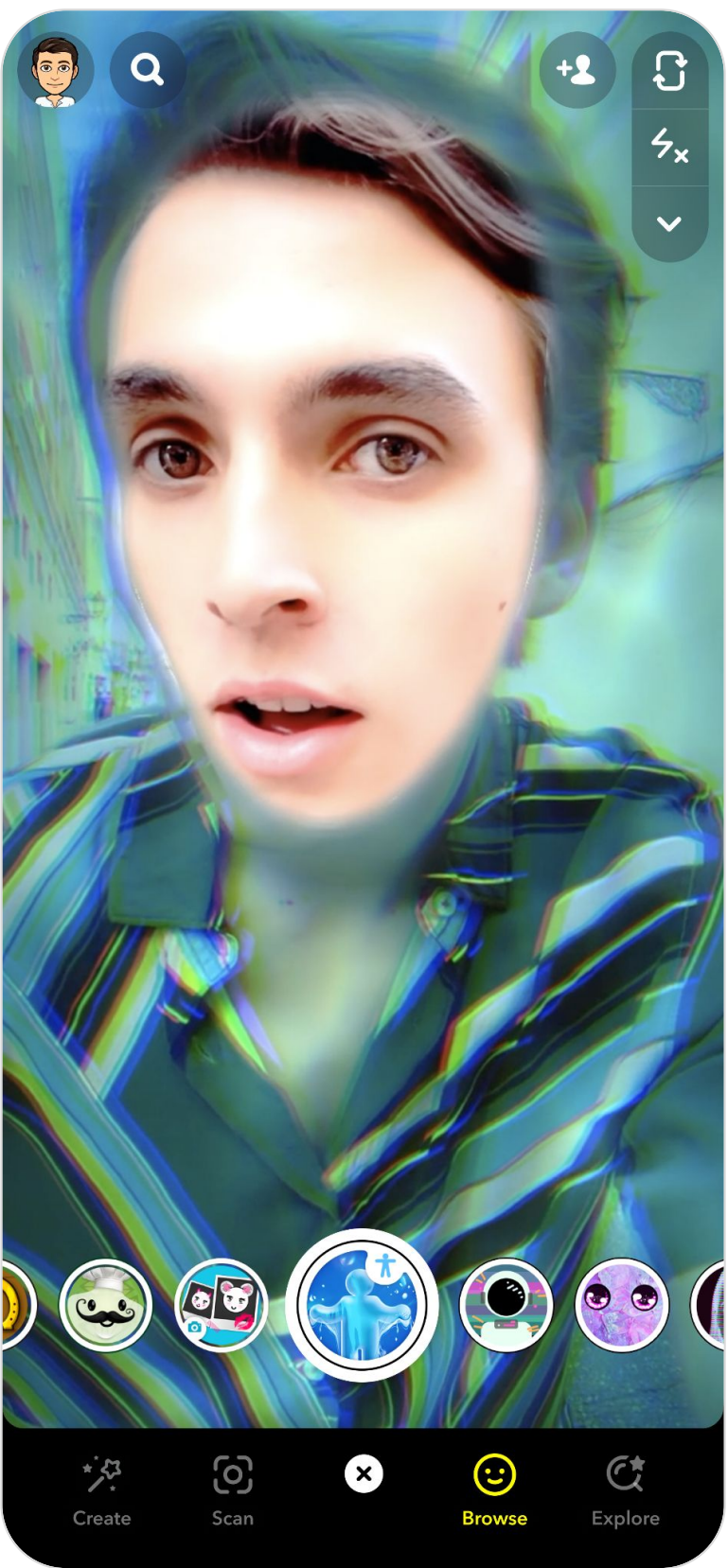
MAP



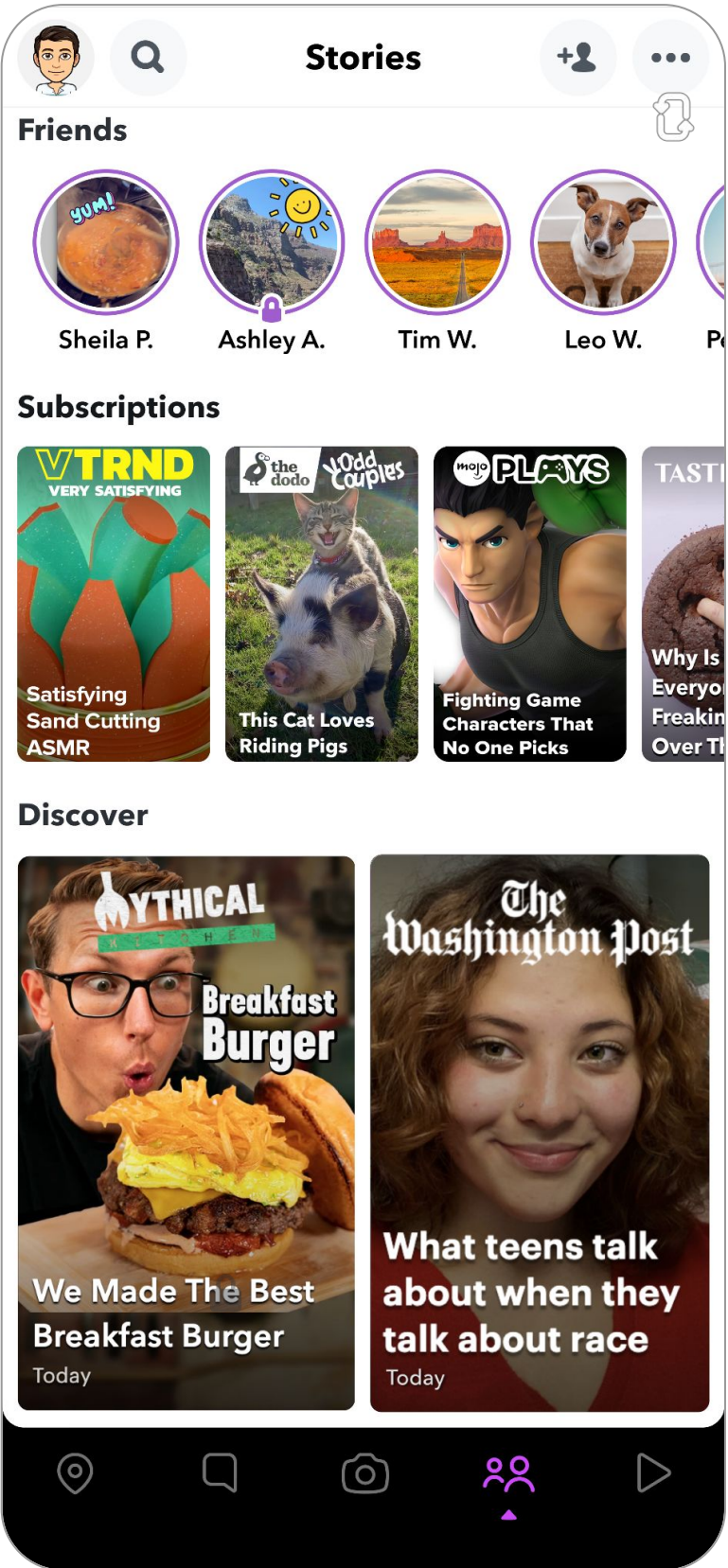
COMMUNICATIONS



CAMERA



STORIES



SPOTLIGHT



# Camera and Augmented Reality

The Snap Camera drives visual communication between Snapchatters, and it can understand, interpret, edit, and augment a scene in real time, enabling the next generation of computing.

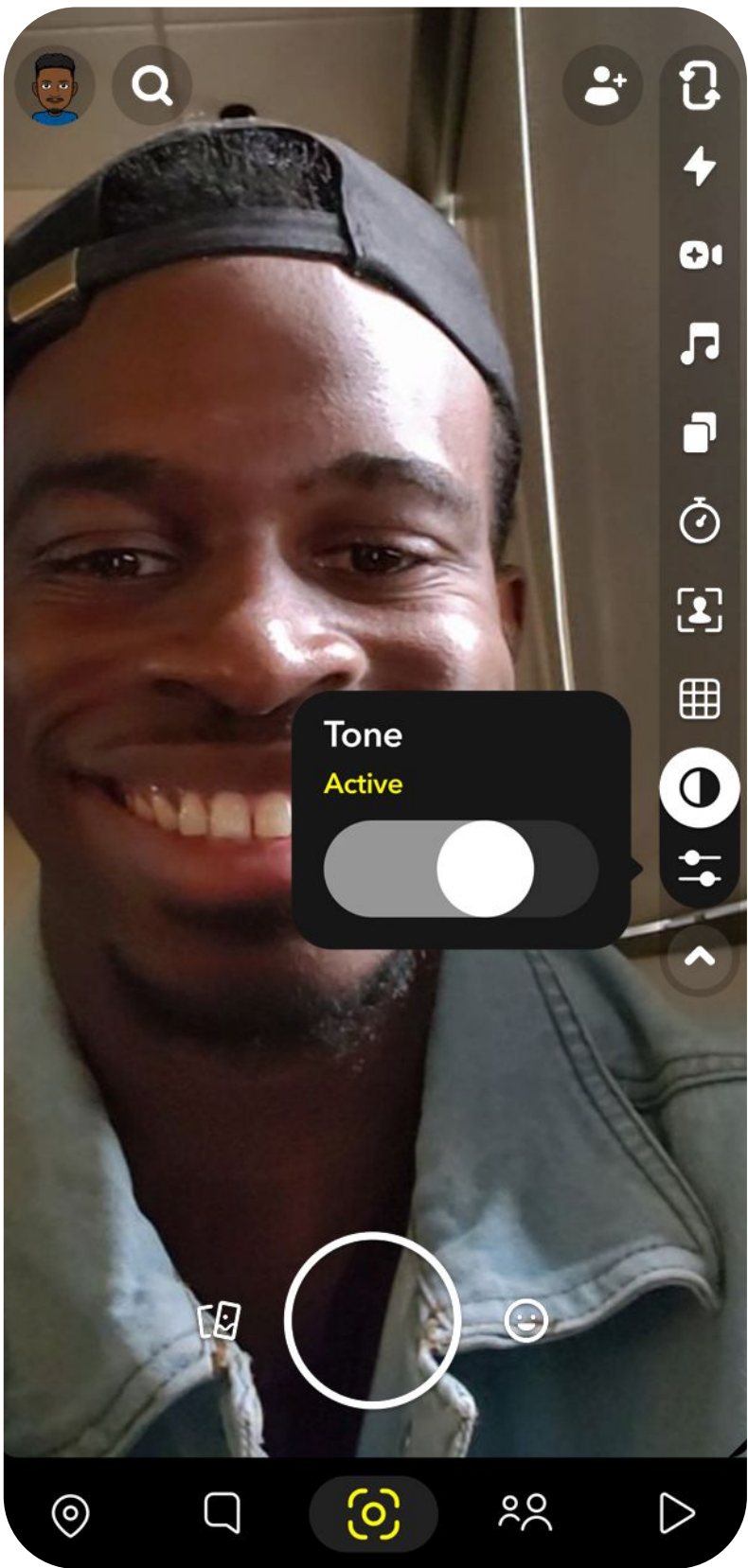
MACHINE-LEARNING LENSES



GESTURE RECOGNITION



CAMERA TONE



**250M+**  
Snapchatters engage with  
AR per day, on average.

Snapchatters play with  
AR Lenses

**6B+ times**  
per day, on average.

# Communications

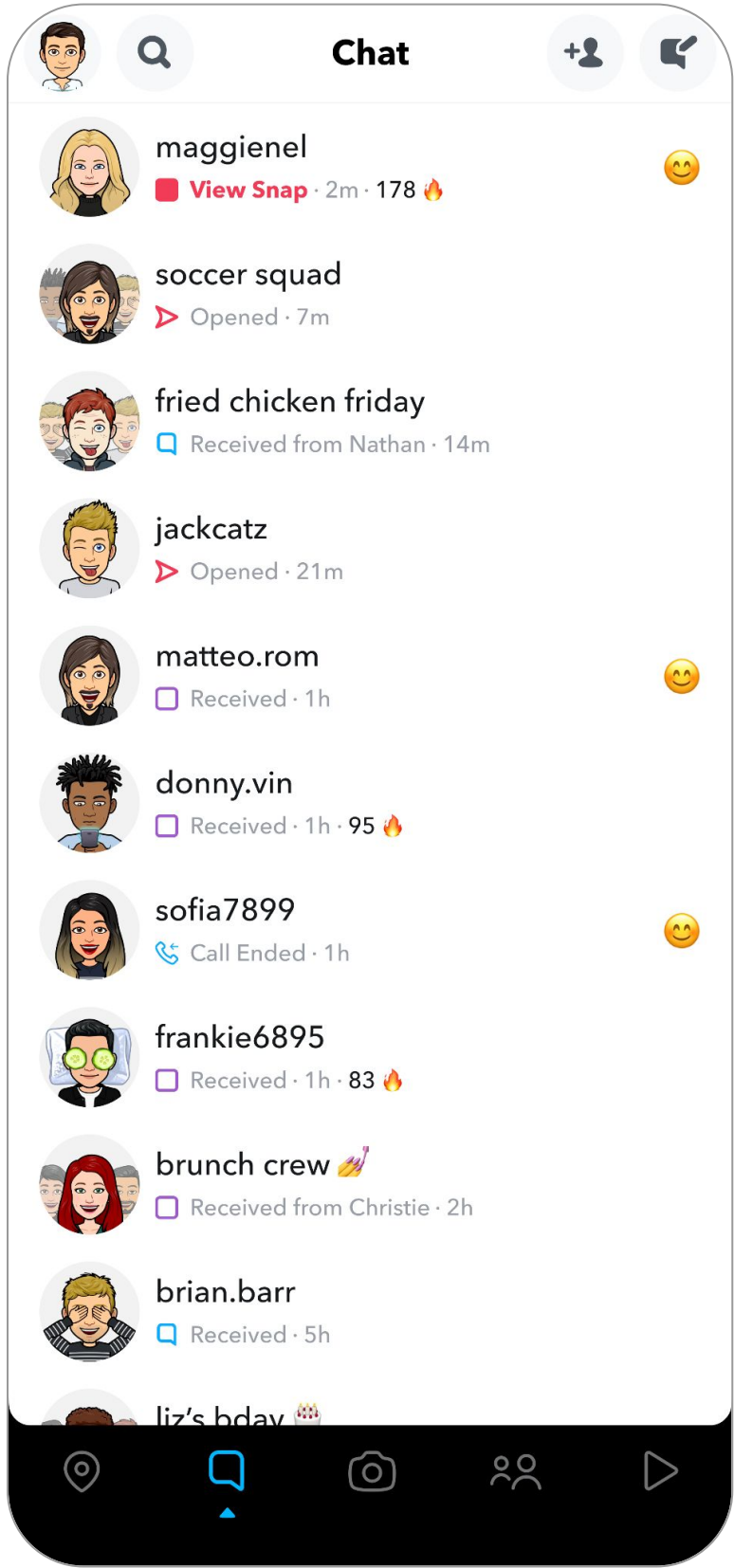
The Communications platform is where Snapchatters express themselves through pictures and messages with their closest friends.

The Chat screen is where Snapchatters can send messages, pictures, and videos to their friends in private or group conversations.

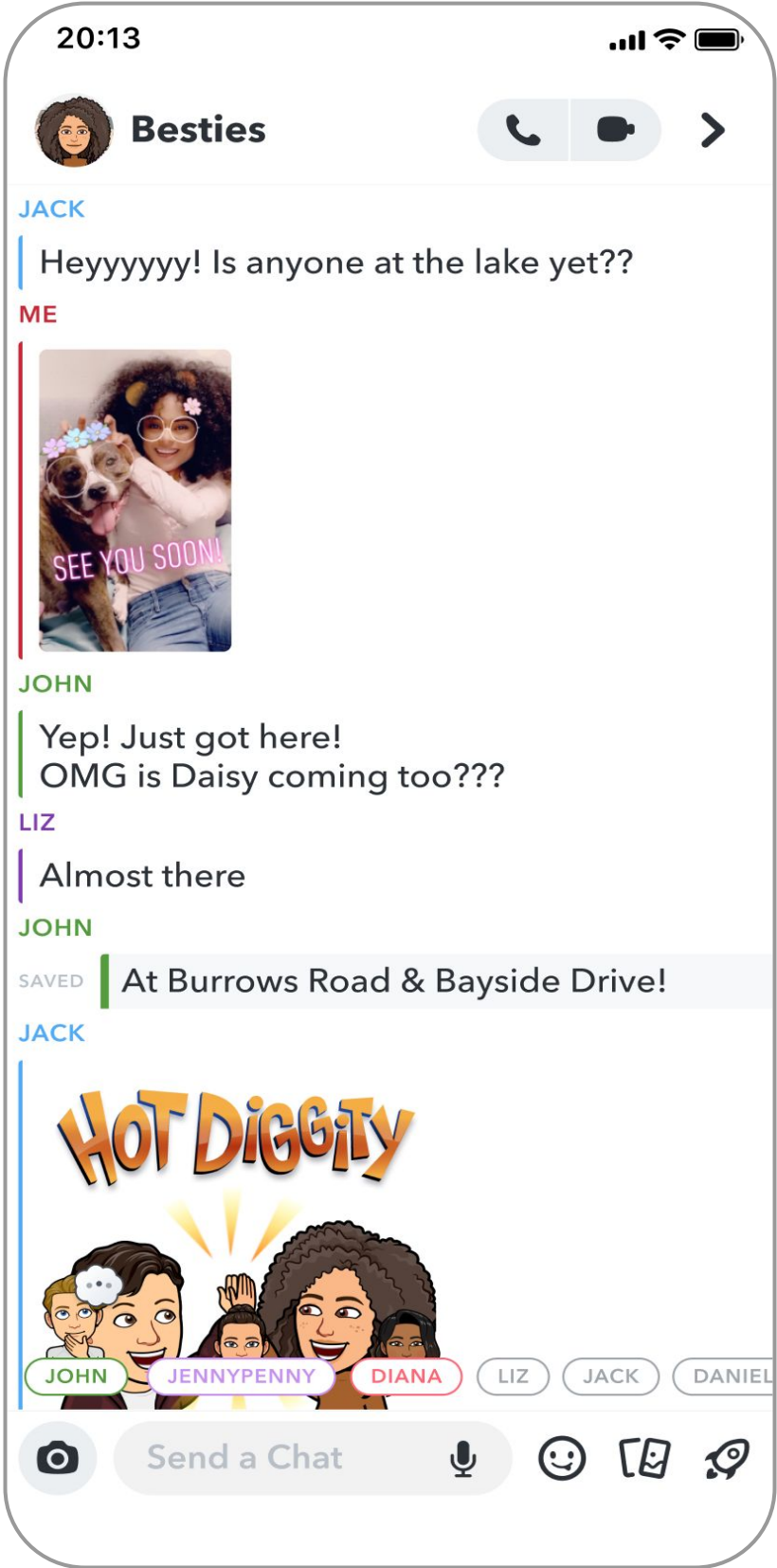
Snapchatters can express themselves through Bitmojis or pictures with the tap of button.

For more real-time communication, video and voice calling are also available.

CHAT FEED



GROUP CHAT

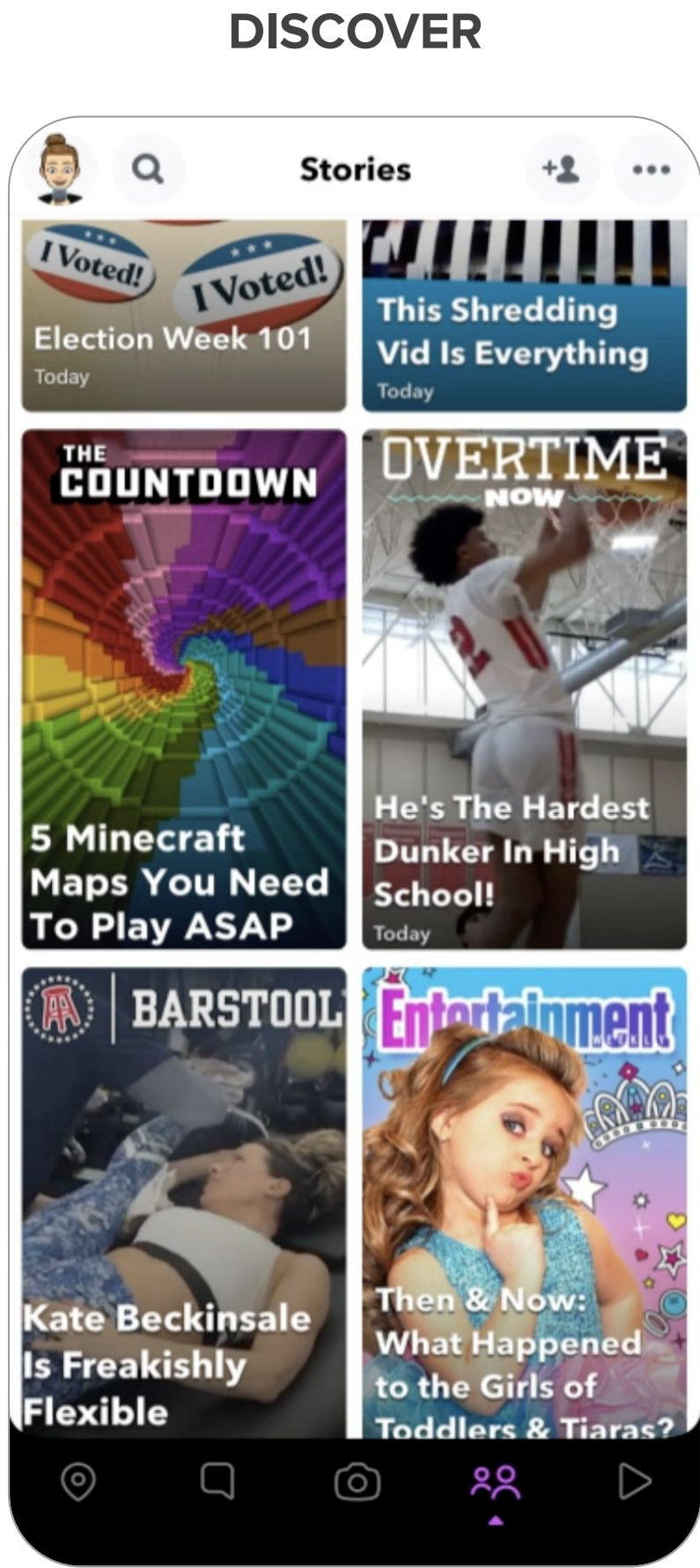


# Stories

Friend Stories enable our community to create and share pictures and videos from their day with their friends on Snapchat — all in chronological order. The Discover platform features curated, professional content from hand-selected partners.

**800+ partners**  
in  
**20+ countries**  
around the world.<sup>1</sup>

**Over 40%**  
year-over-year increase in the daily  
average time spent for Snapchatters 35  
and older engaging with Shows and  
publisher content.<sup>2</sup>



<sup>1</sup> Snap Inc. internal data Jan. 2015–Sep. 2022.  
<sup>2</sup> Snap Inc. internal data Q3 2022 vs. Q3 2021.

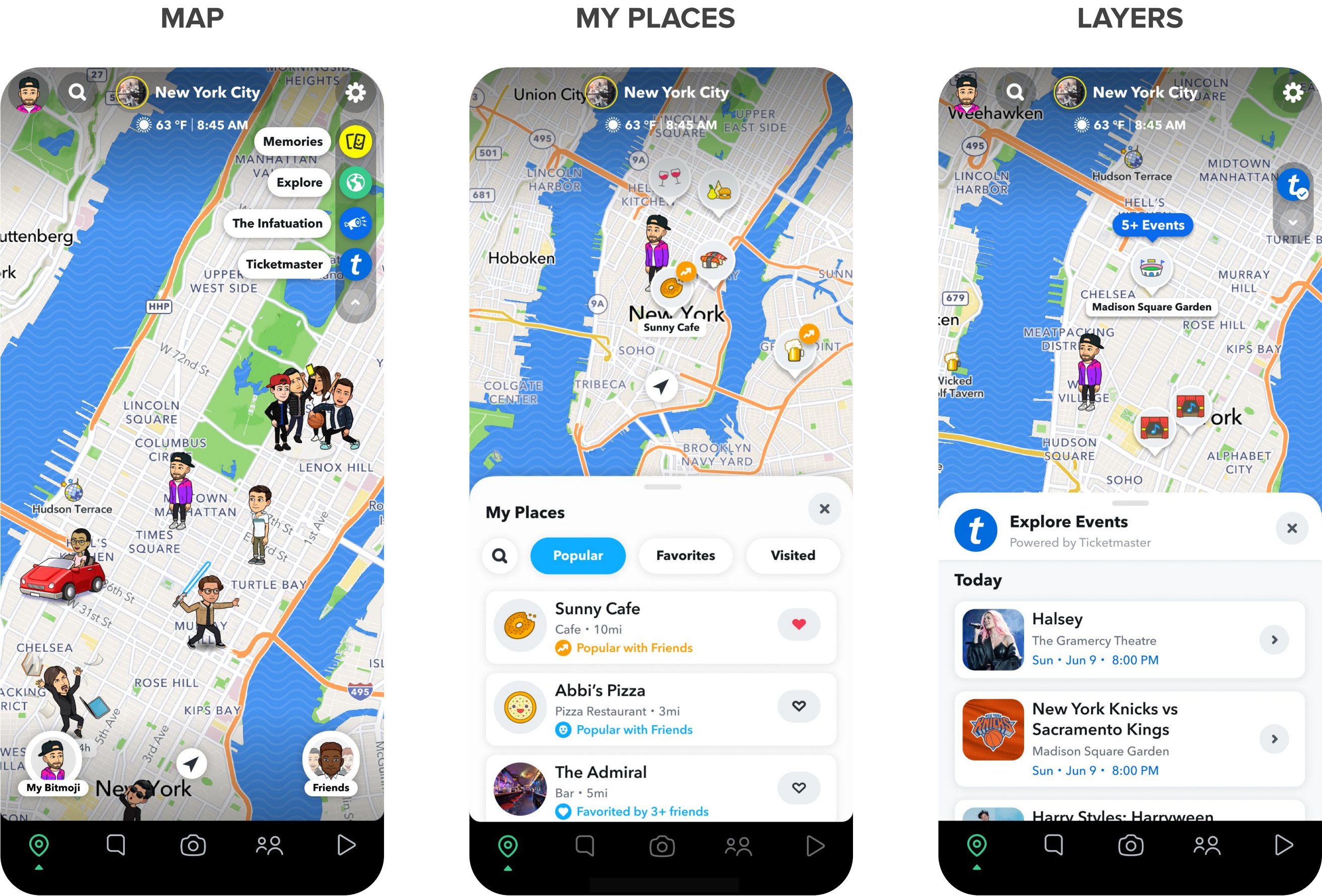
# Snap Map

The Snap Map is a personalized map that connects our community with their friends and the world around them through place listings and stories posted by our community.

**300M+**

Snapchatters engage with the Snap Map every month.<sup>1</sup>

**Nearly 100%**  
increase in Place opens in  
Q3 2022 vs. Q3 2021.<sup>2</sup>



<sup>1</sup> Snap Inc. internal data Q3 2022. We define a Map Active User as a registered Snapchat user who opens the map at least once during the period of interest. Prior to June 2022, we reported Map Active Users using a different methodology. As a result, Map Active Users are not comparable to those in prior periods.

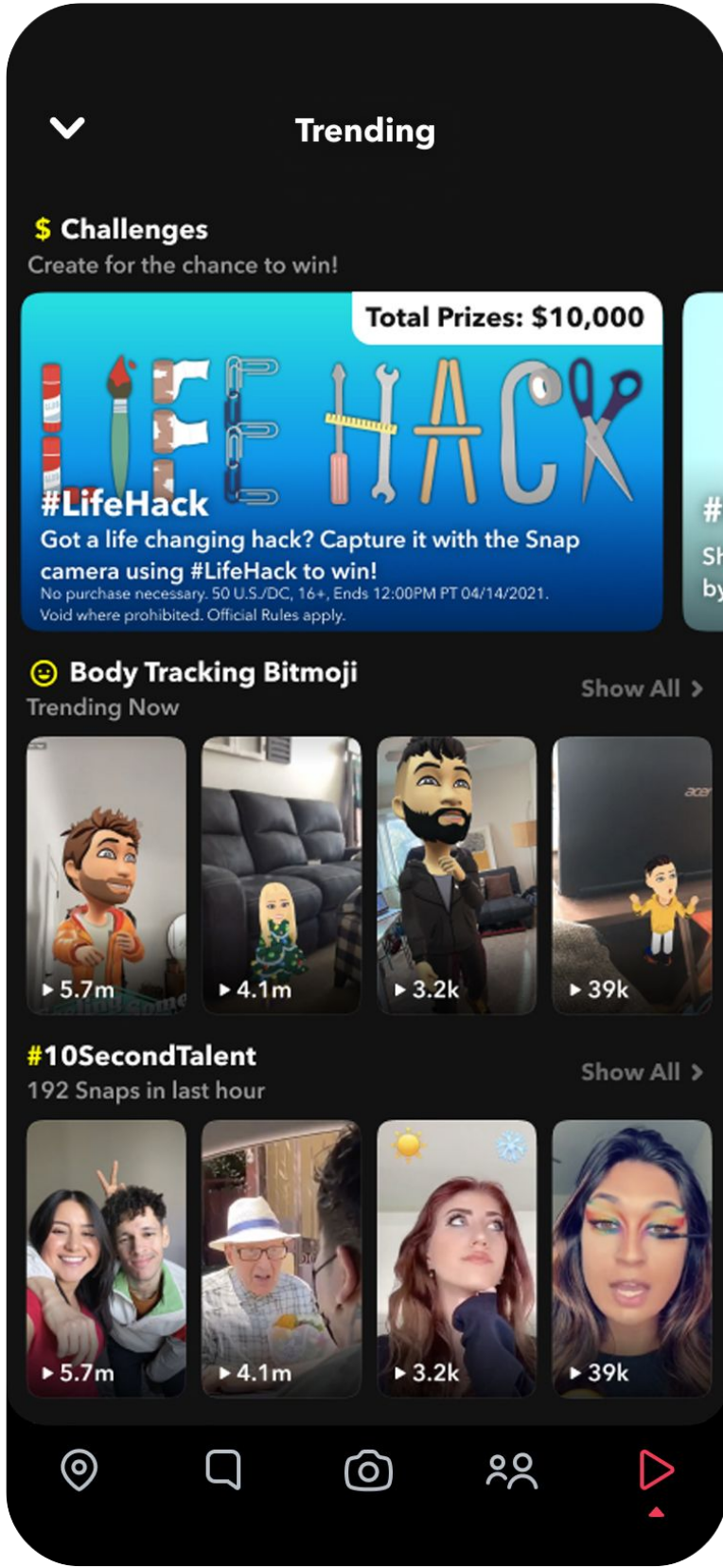
<sup>2</sup> Snap Inc. internal data Q3 2022 vs. Q3 2021.

# Spotlight

Spotlight surfaces the most entertaining Snaps created by our community and provides a place to share user-generated content broadly on Snapchat while remaining aligned with our privacy-by-design approach.

**55% increase**  
in total time spent watching  
Spotlight content compared  
to Q3 2021.<sup>1</sup>

Spotlight is available in  
**150+ countries.**<sup>2</sup>



<sup>1</sup> Snap Inc. internal data Q3 2022 vs. Q3 2021.

<sup>2</sup> Snap Inc. internal data as of Sept. 30, 2022.

# Partner Ecosystem

# Overview of Our Partner Ecosystem

Creators

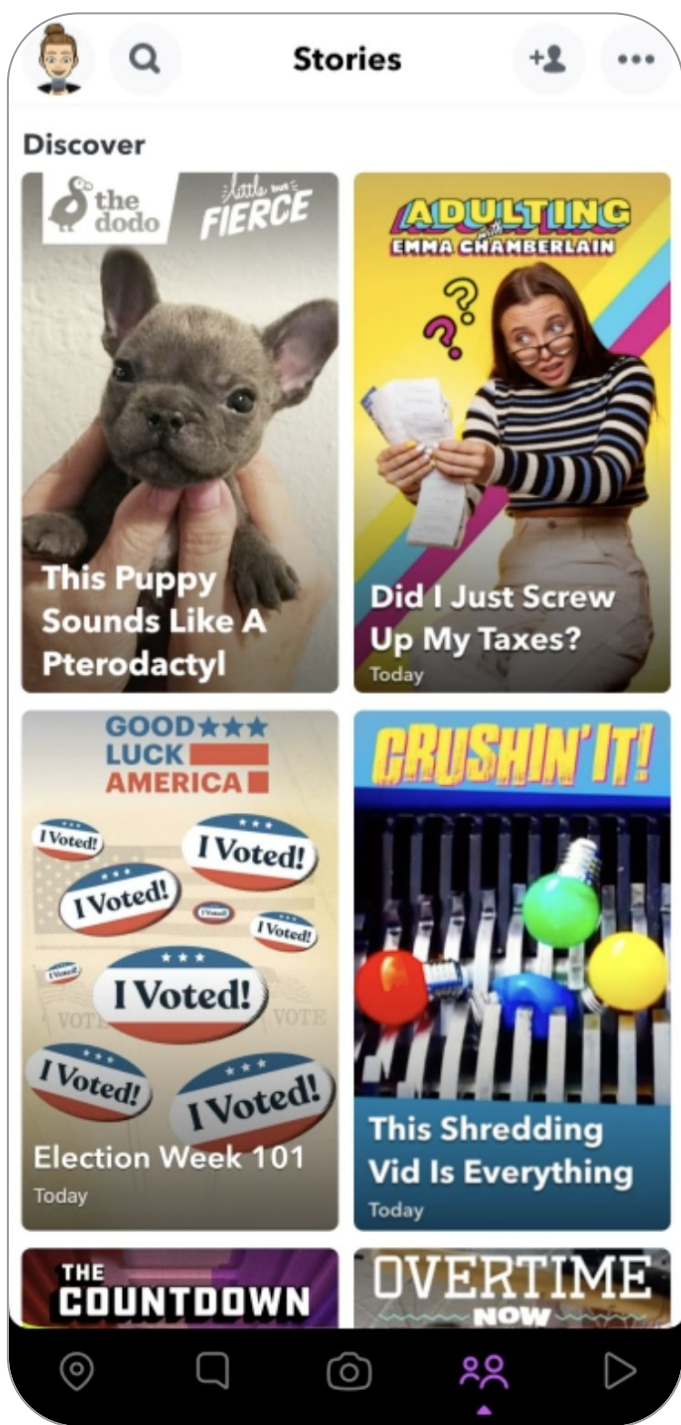


CAMERA/AR



SPOTLIGHT

Publishers



DISCOVER

Developers



SNAP KIT

# AR Creator Community

Our AR creator community is made up of individuals from over 200 countries and territories who create a wide variety of AR experiences across geographies and cultures.

250K+

Lens Creators have used Lens Studio.

2.5M+

Lenses made by our community.

Monetization Opportunities

CJ OperAmericano

Pick a Gift to Send

CJ OperAmericano will see that you sent them a gift and can reply back or share your gift to their Public Story.



50



500



350



750



350



50

 Just wanted to say hi! I love watching your Stories!

Pick a Gift

Brand Creator Marketpl...

Lens Creator Search >

About the Lens Creator



Brielle Garcia

asadora

United States

AR developer and designer. She specializes in optimized 3D assets and interactive programming with years of marketing experience.

www.tacolamp.com

Language: English

Lens Production Fee: \$2,000-\$5,000

Technical Art

Interactive Programming

3D Modeling / Animation

Photography / Film

Fine Art / Illustration

Graphic Design

Contact Email



3D Sock Puppet



Walk on Mars



Earhart

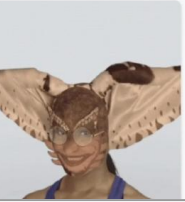


The Moon









GHOST

Snap's AR Innovation Lab

GIFTING

CREATOR MARKETPLACE

GHOST AR INNOVATION LAB

Snap Inc. internal data as of Dec. 31, 2021.

# Lens Studio — AR Creator Platform

We provide our broader creator community with the same tools used internally at Snap to develop AR Lenses by offering access to Lens Studio, a free, easy-to-use yet incredibly powerful AR-development platform.

Lens creation starts with Lens Studio, whether you're creating for Snapchat, Spectacles, or third-party apps through Camera Kit.

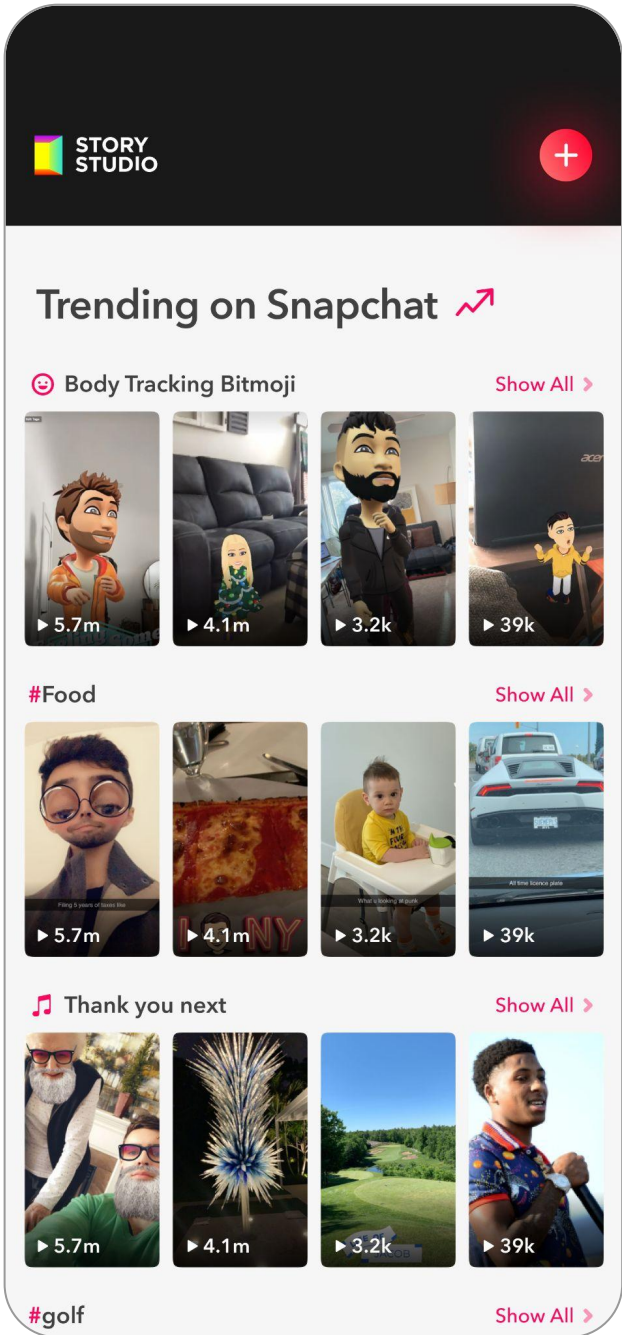
Lens Studio includes the most innovative capabilities like machine learning, visual programming, body tracking, object recognition, and scripting for artists and developers to build augmented reality experiences.



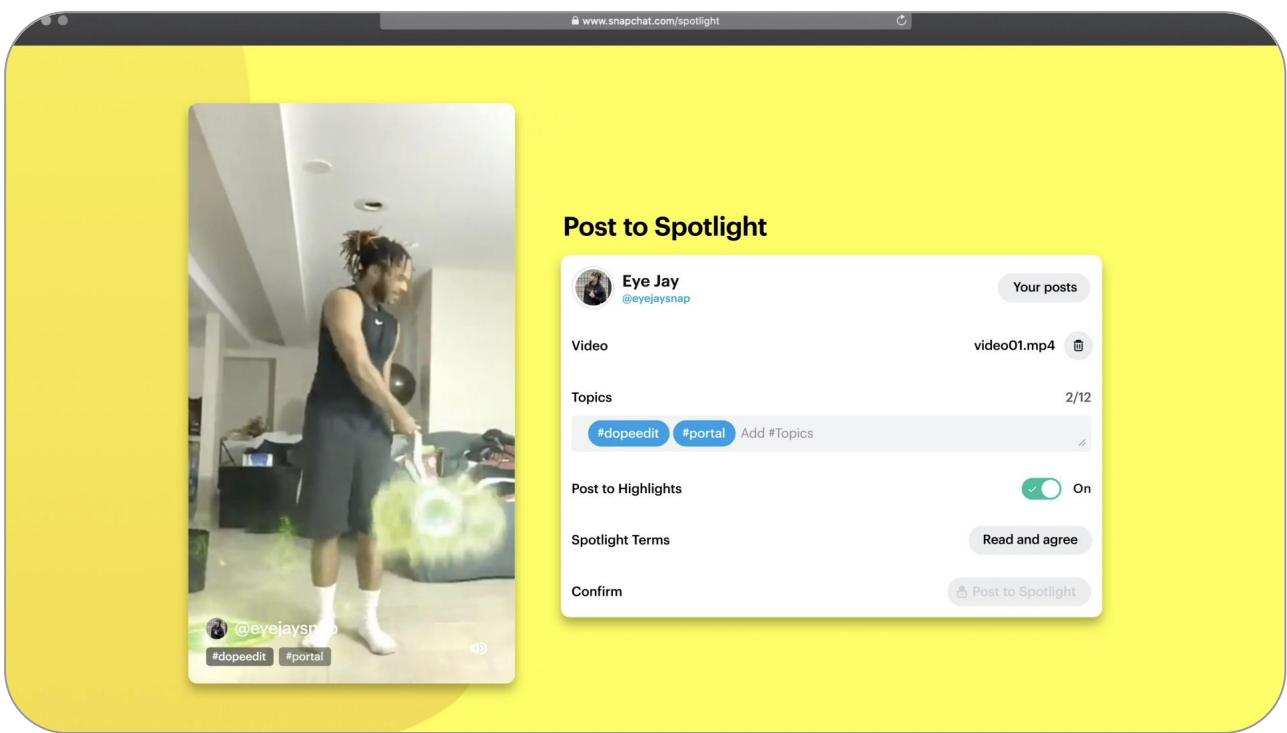
# Spotlight Creator Community

Through Spotlight and our powerful creative tools, creators can develop content, reach millions of Snapchatters, grow their audience, and connect with fans, all in accordance with our privacy standards.

Tools

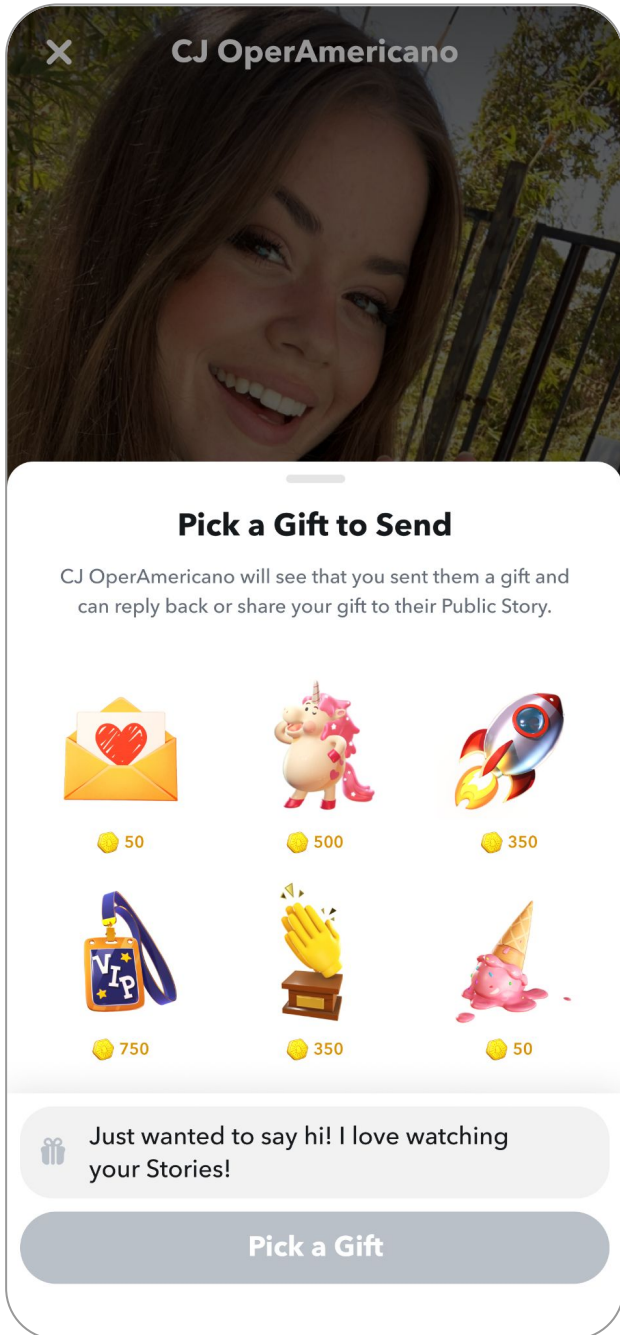


STORY STUDIO

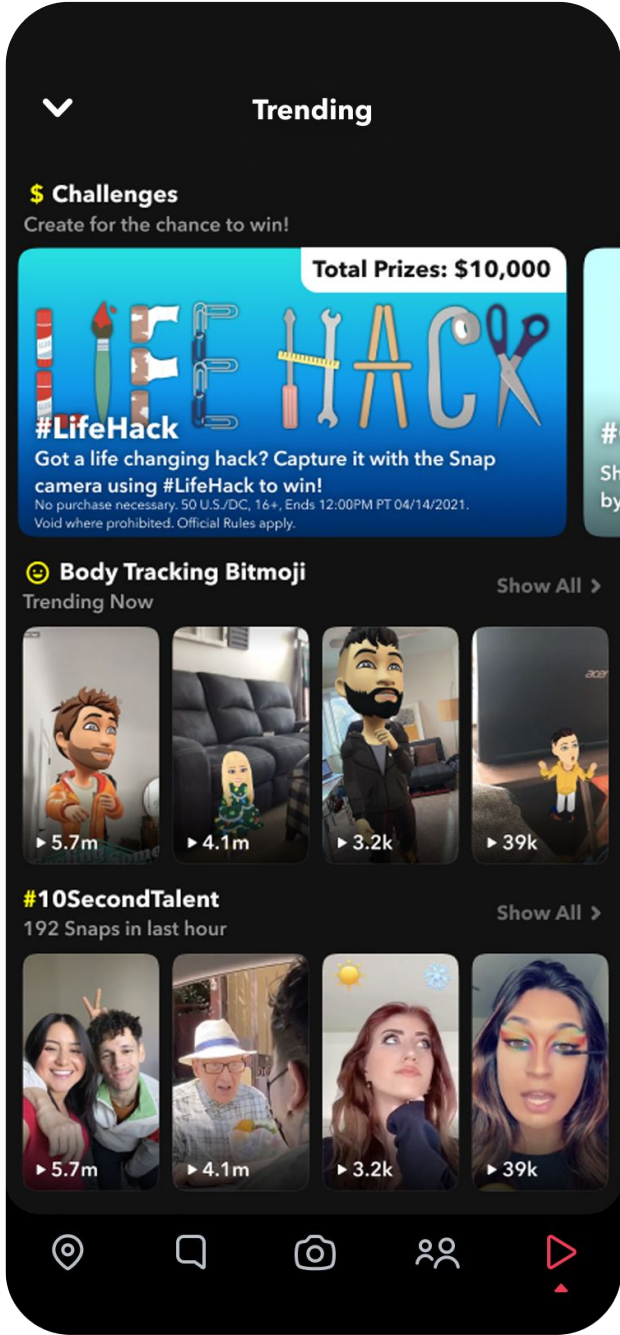


SPOTLIGHT ON THE WEB

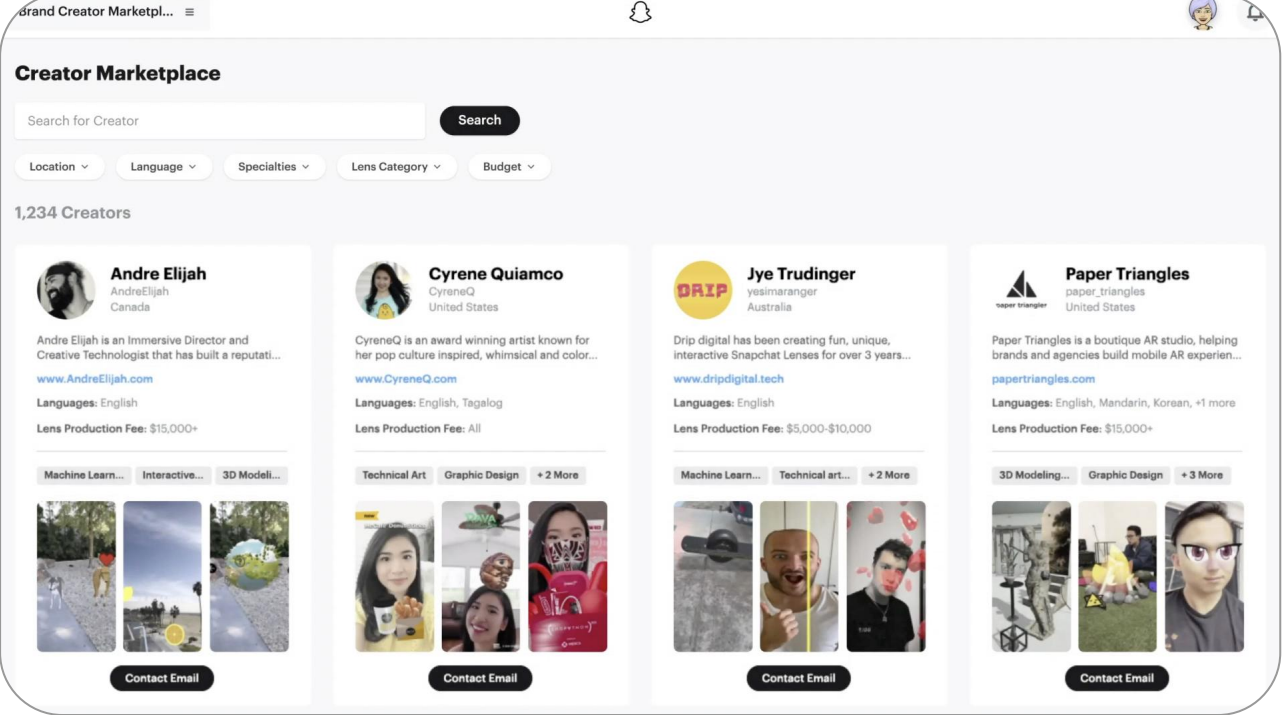
Monetization Opportunities



GIFTING



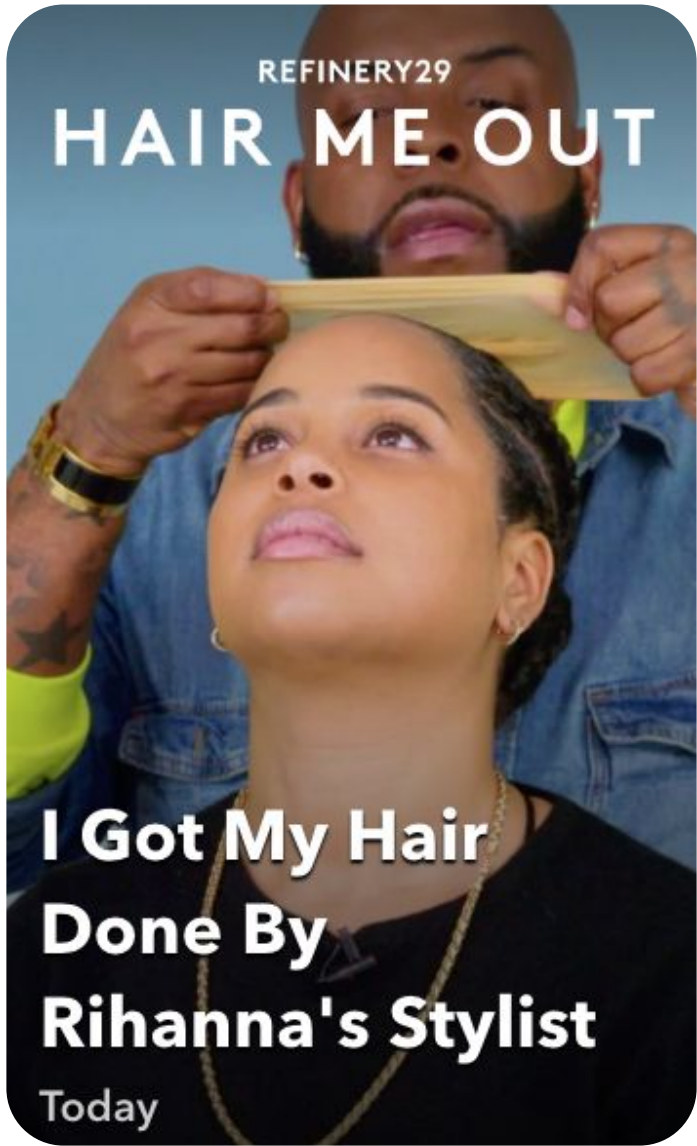
CREATOR FUND/  
SPOTLIGHT CHALLENGES



CREATOR MARKETPLACE

# Content Partners

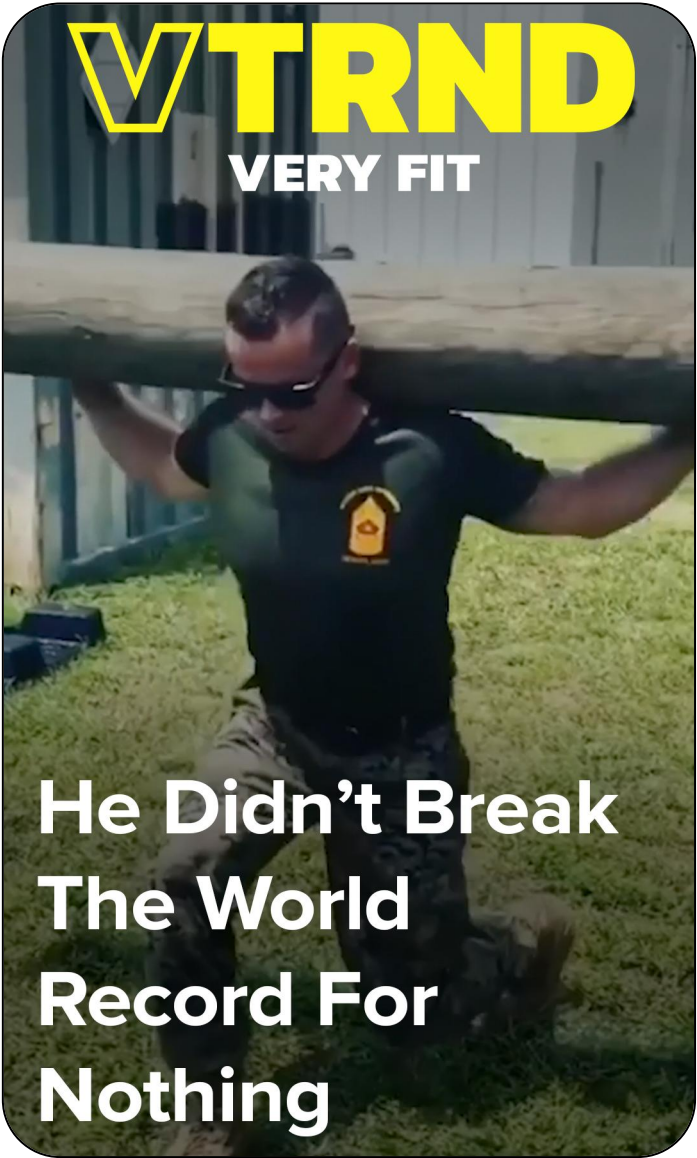
Discover features content from over 800 hand-selected partners from over 20 countries around the world.<sup>1</sup>



BEAUTY

**75M+**

Snapchatters watched Beauty publisher and show content each month.<sup>2</sup>



HEALTH AND FITNESS

**60M+**

Snapchatters watched Health and Fitness publisher and show content each month on average.<sup>2</sup>



ENTERTAINMENT

**120M+**

Snapchatters watched publisher and show content from internet creators each month.<sup>2</sup>

<sup>1</sup> Snap Inc. internal data Jan. 2015–Sept. 2022.  
<sup>2</sup> Snap Inc. internal data Q3 2022.



Snap Kit

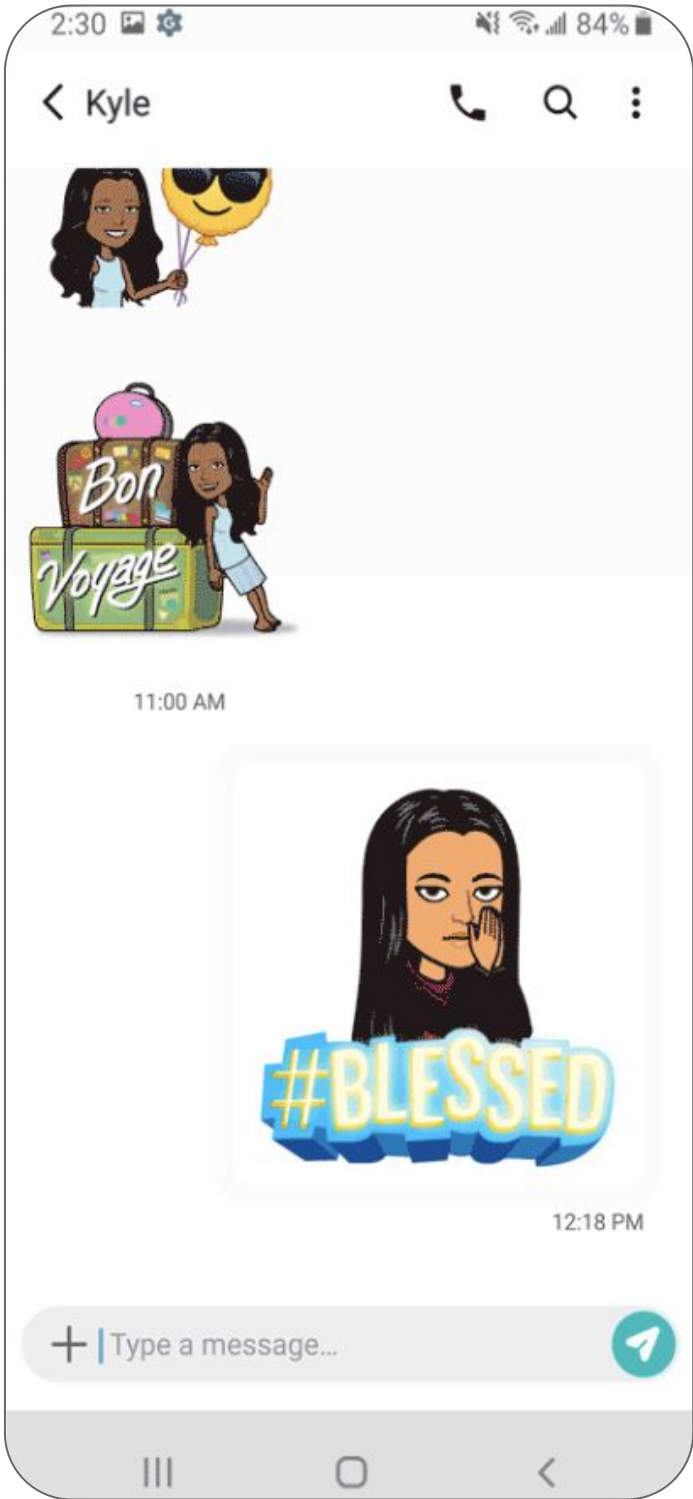
Over 1,500 apps have integrated with Snap Kit across our six offerings:  
Camera Kit, Creative Kit, Story Kit, Login Kit, Ad Kit, and Sticker Kit.



Creative

KIT

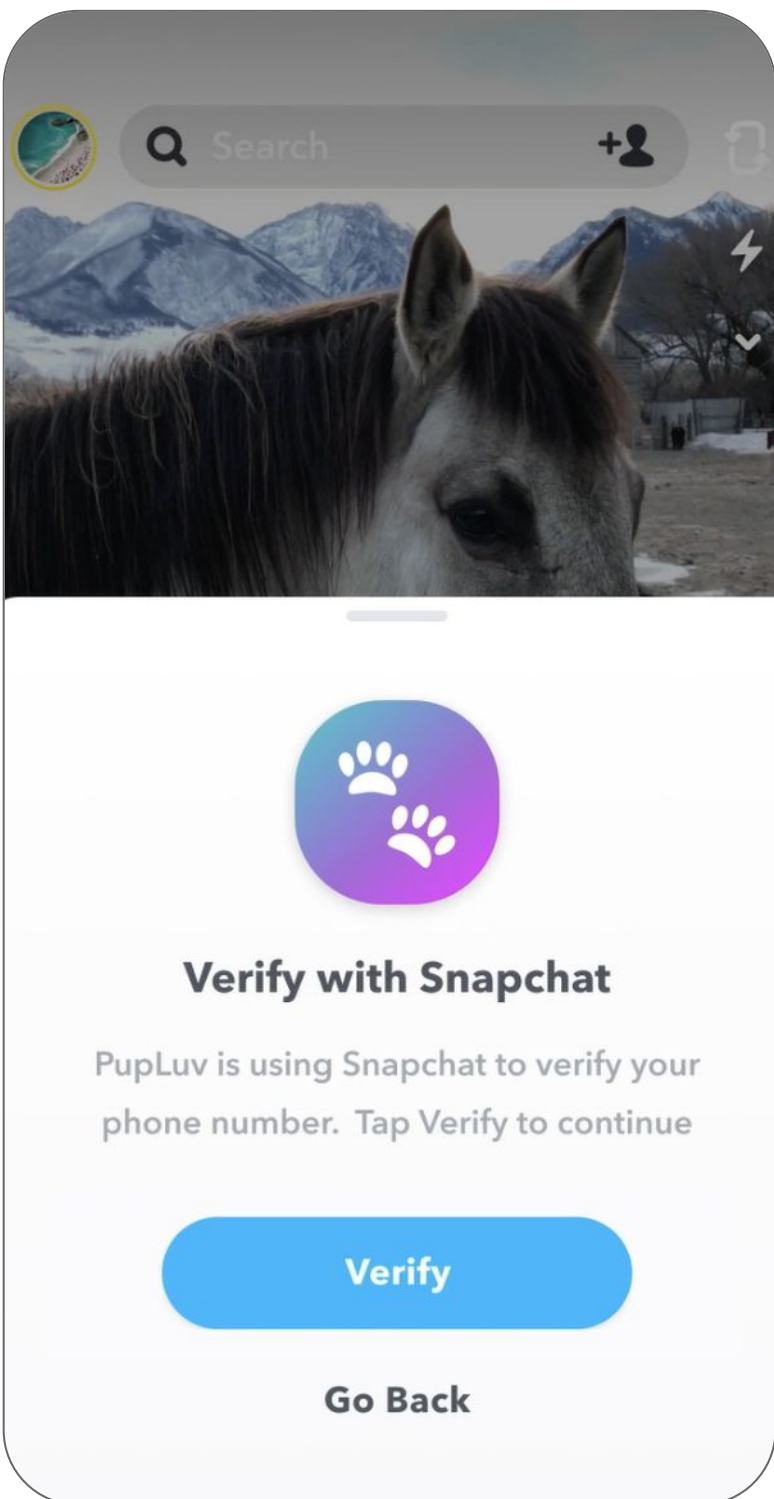
Allows developer partners to share dynamic content from apps into Snapchat.



Sticker

KIT

Allows developer partners to add our Bitmoji and sticker libraries to their app or keyboard.



Login

KIT

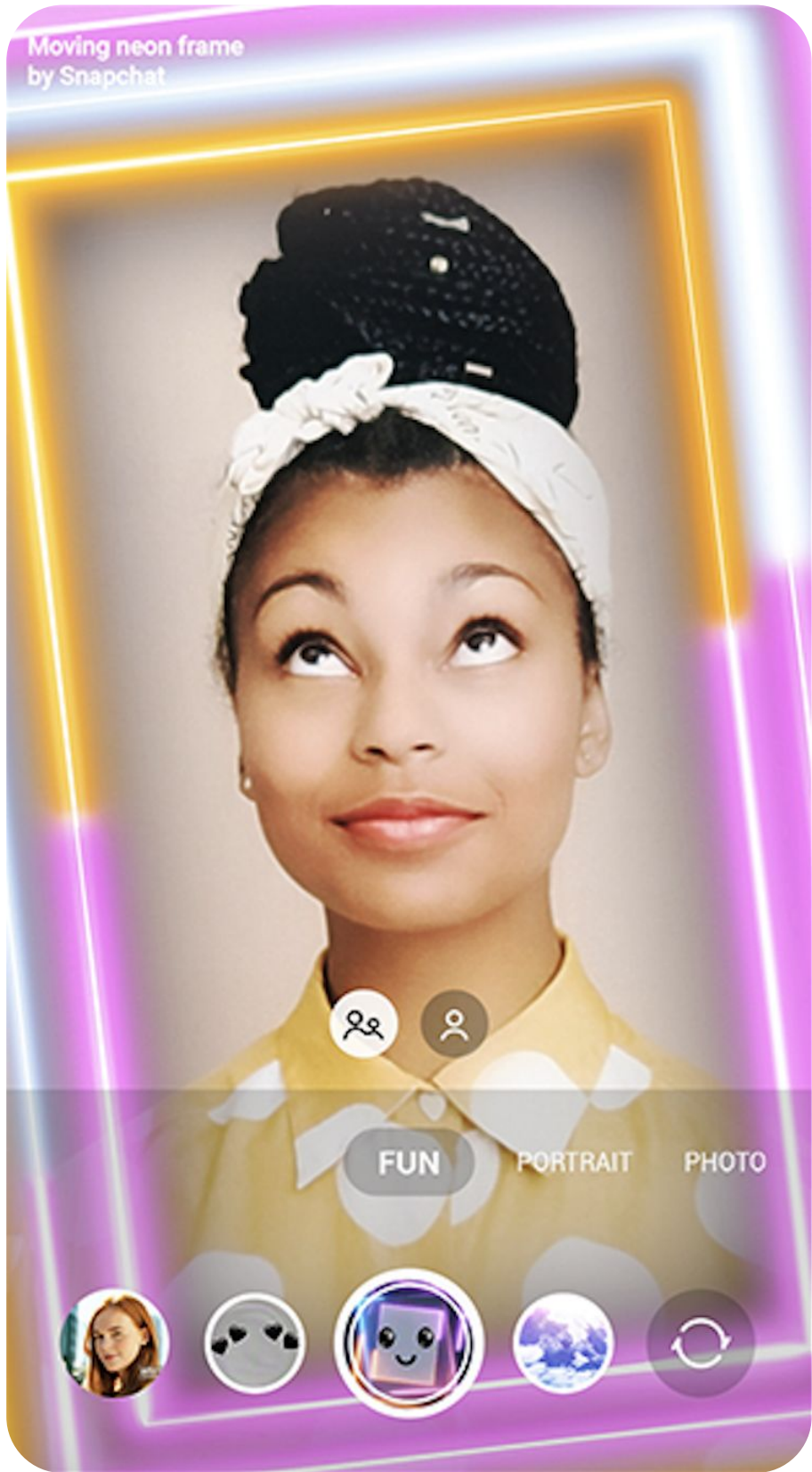
Allows developer partners to enable sign up and log in via Snapchat accounts.

# Camera KIT

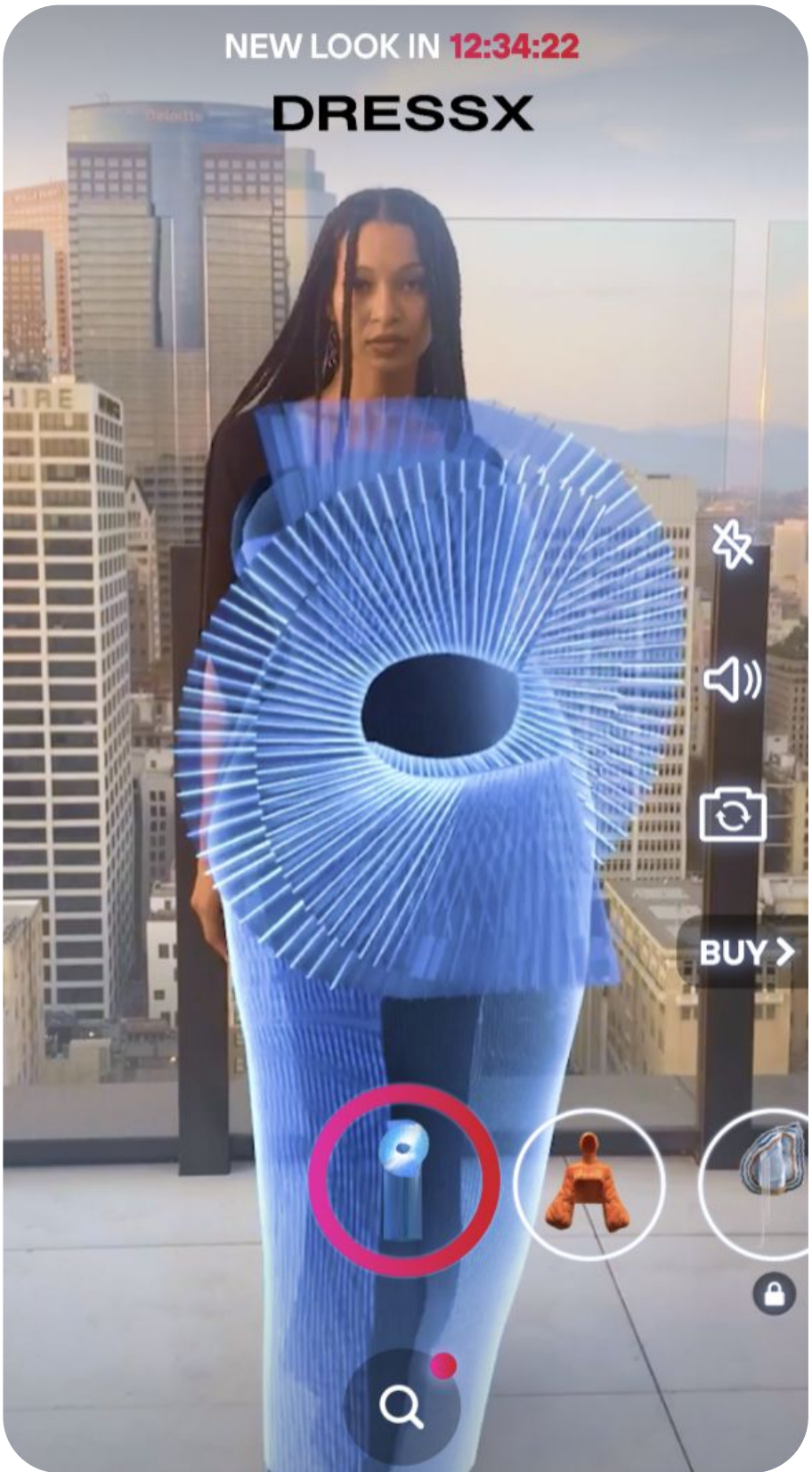
Camera Kit is a cross-platform SDK solution that brings the best of our AR ecosystem to partner applications.

Partners can create, schedule, and manage customized AR experiences for their applications and users.

Partners gain access to a suite of powerful tools and analytics.



SAMSUNG



DRESSX



# Advertising Business

# Meet the Snapchat Generation

## 150%

The Snapchat Generation is 150% more likely than non-Snapchatters to prefer to communicate with pictures over words.<sup>1</sup>

## 3x

Snapchatters are 3x more likely than non-Snapchatters to say they are using AR more than they did last year to try on products.<sup>2</sup>

## 1.5x

The Snapchat Generation is 1.5x more likely than non-Snapchatters to gravitate toward immersive video and mobile games, including AR experiences.<sup>3</sup>

2021 Global Cassandra Study commissioned by Snap Inc. | Base: Total N=27,006 respondents. Snapchat Generation refers to Snapchatters aged 13 and older.

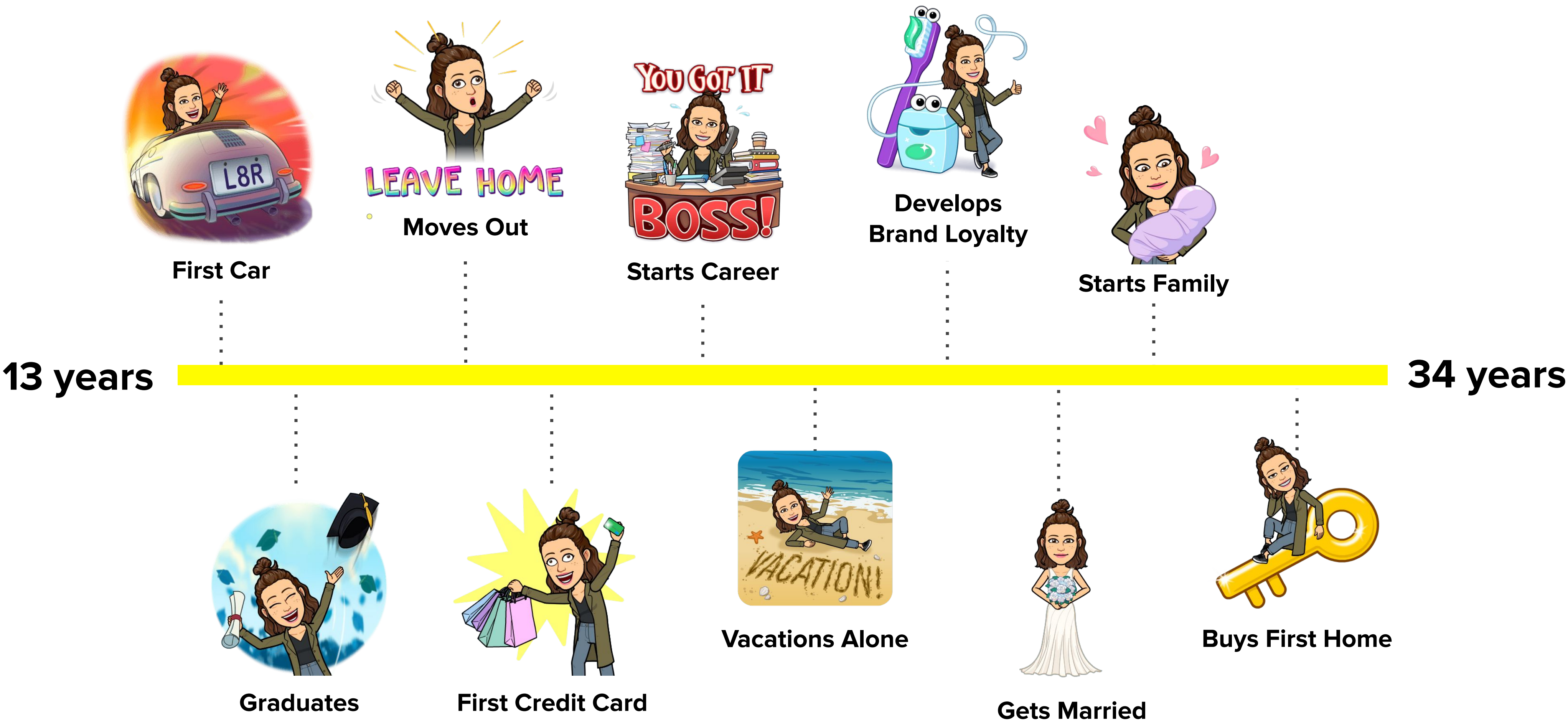
<sup>1</sup> Q: What portion of your digital communication includes images and media, e.g., emojis, photos, memes, video calls, versus text-only, i.e., only words? Please enter a percentage for each; your total must add up to 100%. If you do not communicate in one of these ways, please enter zero.

<sup>2</sup> Q: Which of the following, if any, are true for you?

<sup>3</sup> Q: How much do you agree or disagree with each of the statements below? Please select one response per row.

# Why This Age Range Is Critical

Between the ages of 13 and 34, people experience many common milestones in life.



# Deep Domain Expertise in Key Enterprise Verticals

Apps, Media, and Services



Automotive



Commerce



Consumer Packaged Goods



Entertainment



Health and Government



Restaurants



Retail



Tech



Telecommunications



Financial Services



Travel



# Creative Ad Formats That Deliver Results

In-Camera

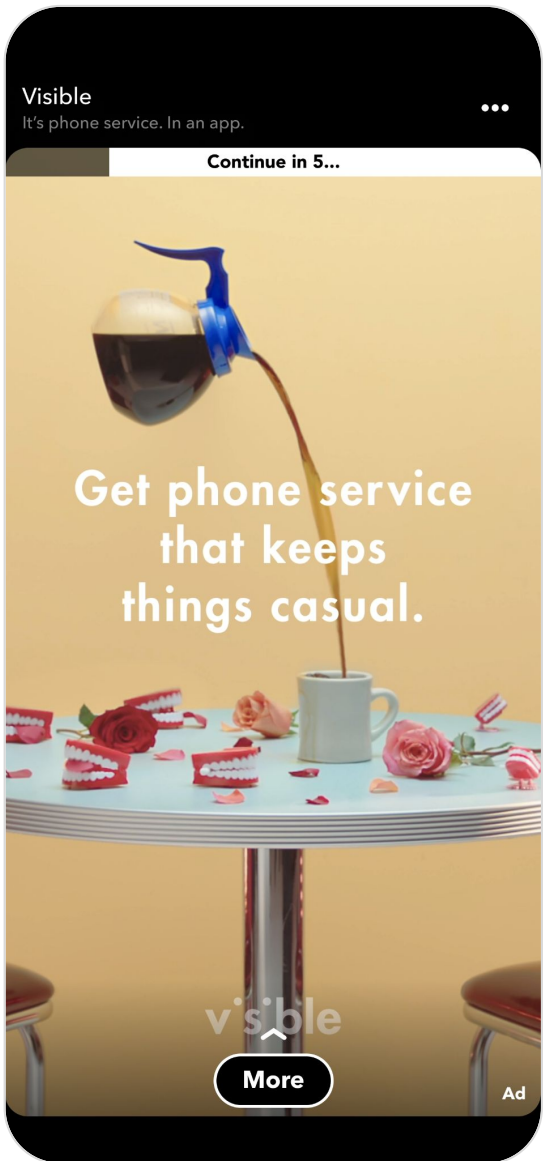
Video



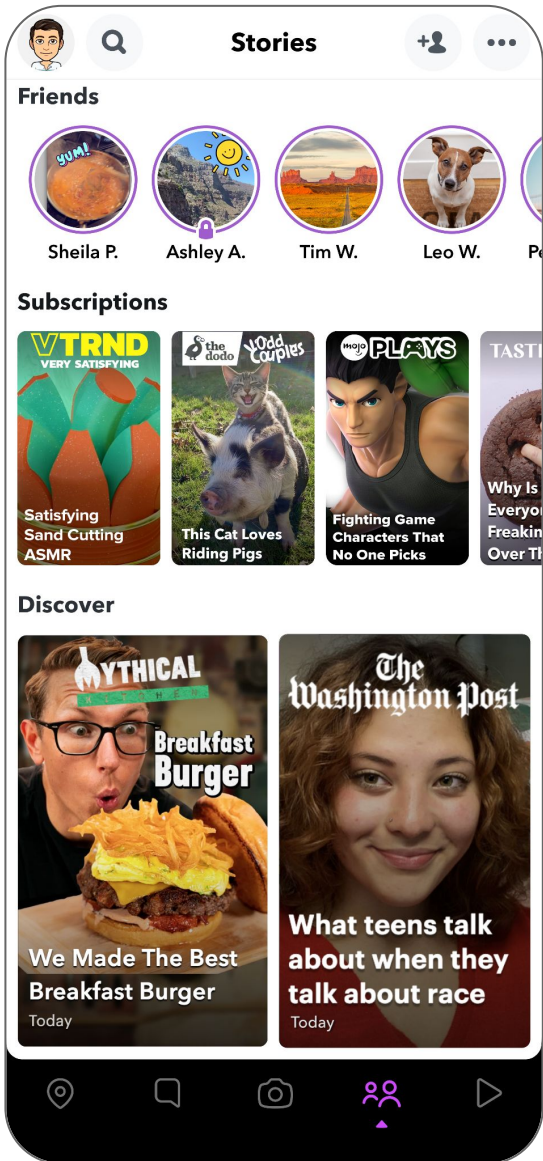
AR Lens Experiences



Filters



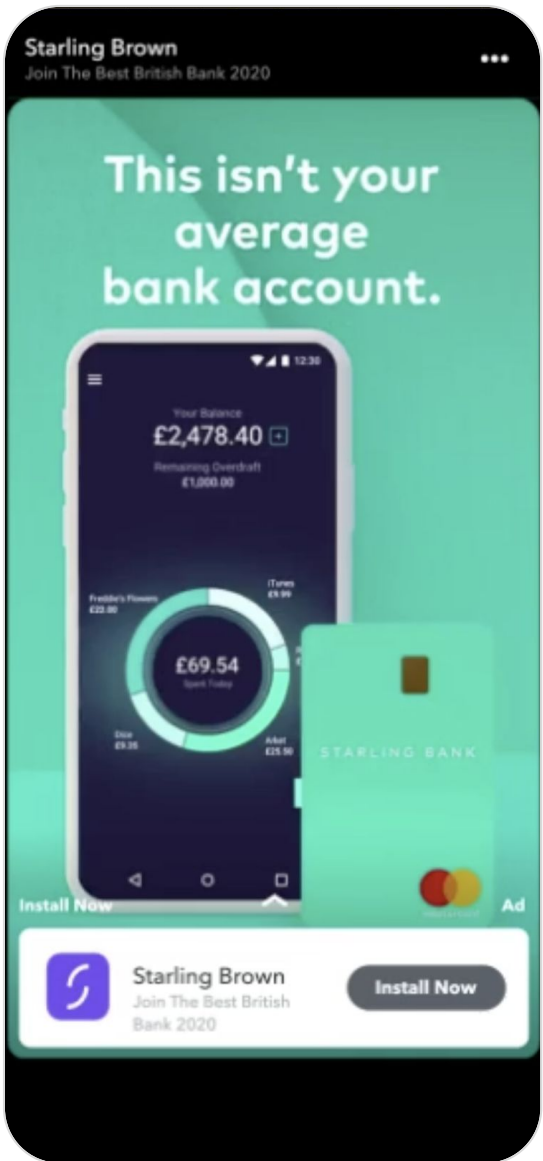
Commercials (:06 forced view)



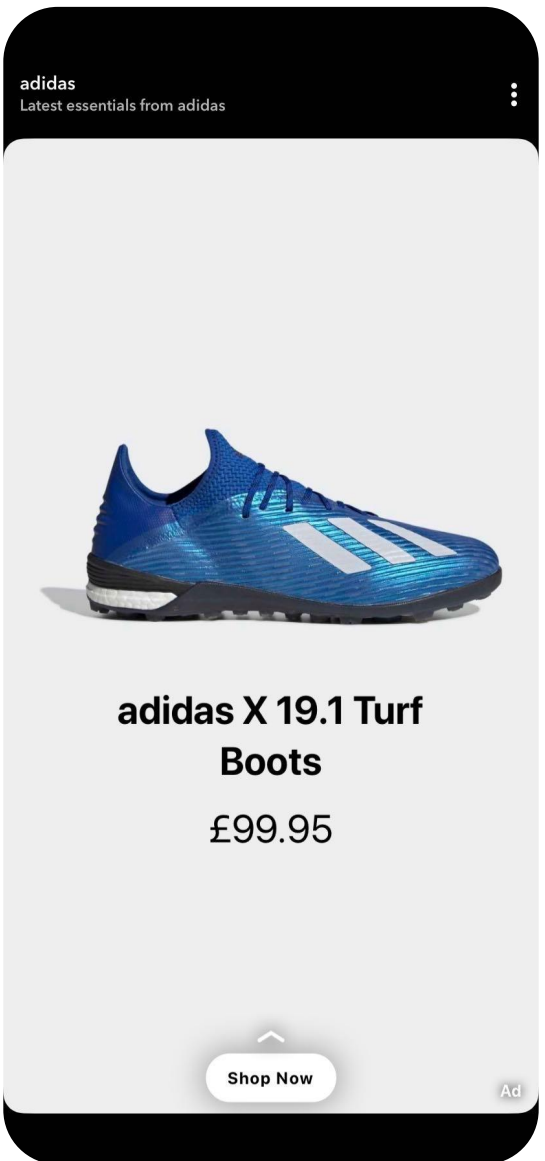
Story Ads (series of 3 to 20 Snaps)



Collection Ads



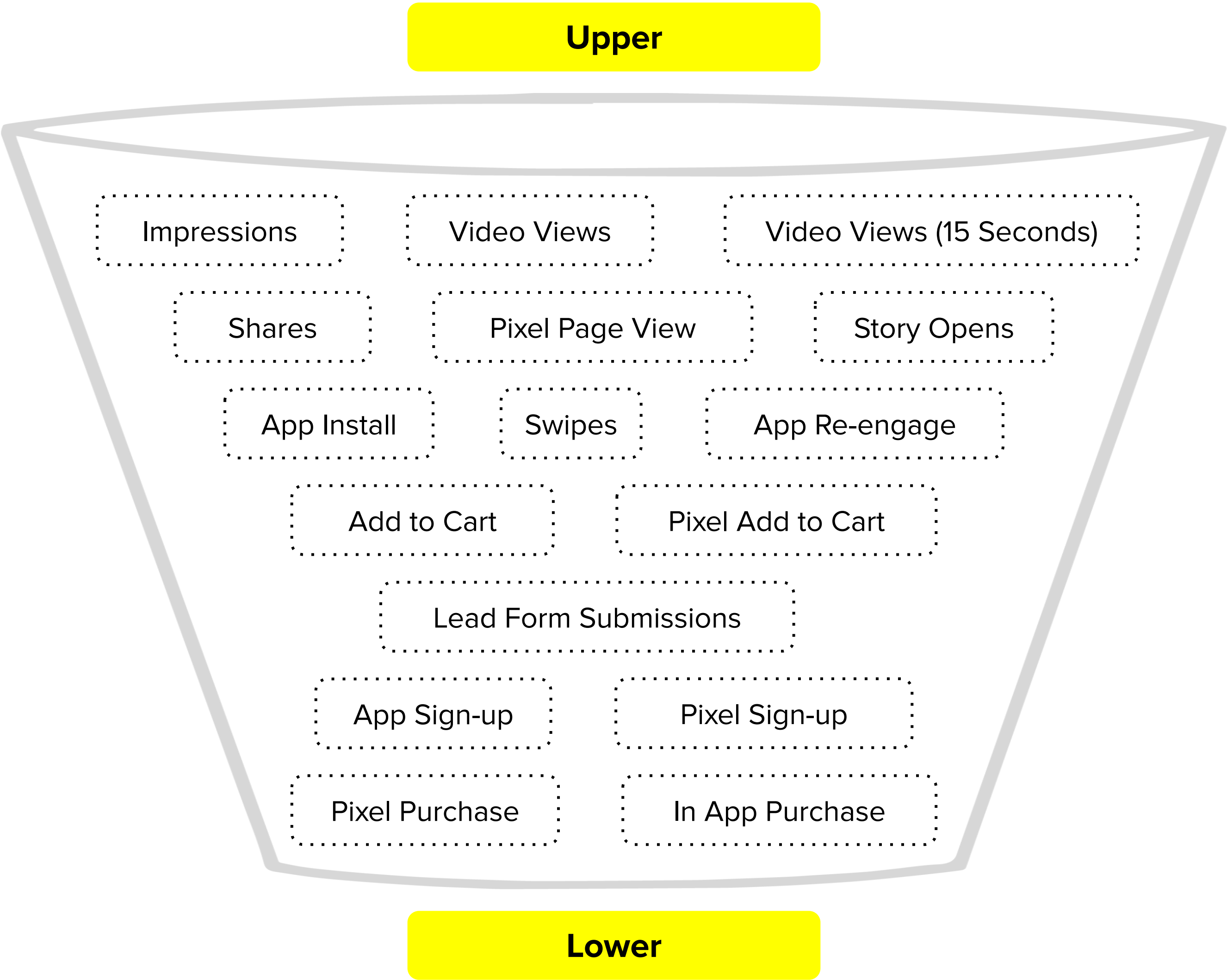
Snap Ad With App Install



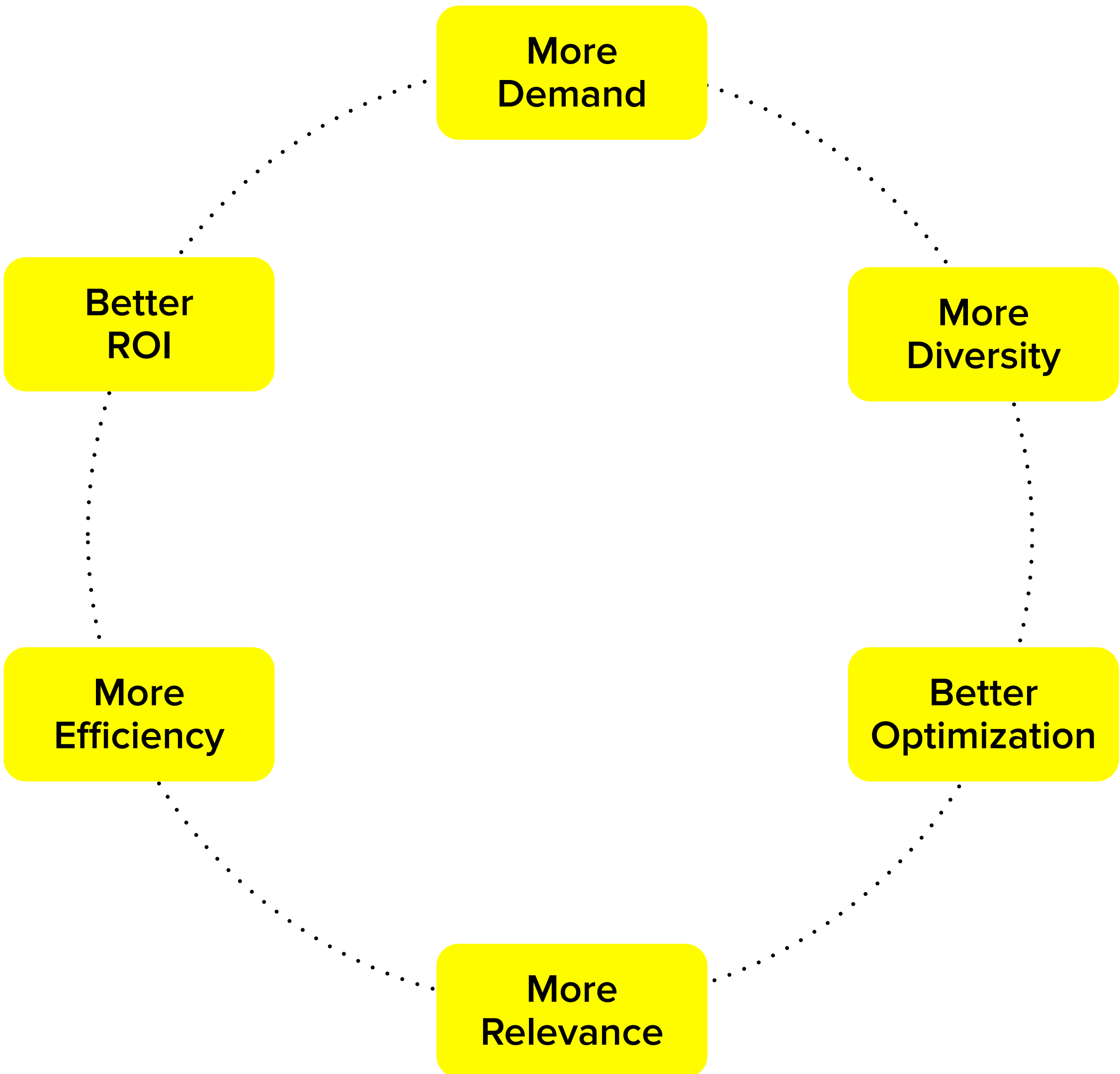
Dynamic Product Ads

# Goal-Based Bidding Objectives

Snap offers a variety of goal-based bidding objectives to address every level of the sales funnel.



# The Advertiser Demand Flywheel



# What Advertisers Are Saying

## Enterprise

“

*It's fantastic to see the significant impact that Snapchat's high attention video formats had on the performance of the campaign, and we look forward to further expanding upon our investment on the platform in the future.*

*Jimmy Hughes, Social Lead*  
**Heineken**

”

## Emerging

“

*We need an ad platform with robust testing capabilities to reach our target audience at scale and at target ROAS. Snapchat's Dynamic Ads tool combined with Lifestyle Category audiences helped us achieve our goals.*

*Daphne Kotler, Director of Marketing*  
**Redbubble**

”

## Agency

“

*AR has a major role to play in the future of marketing and commerce, from virtual try-on to immersive digital experiences. Snap has built an impressive AR platform, and we are delighted to partner with them to ensure our people can access Snap's latest AR technology and in turn develop richer, more innovative commerce solutions for our clients and their customers*

*Sanja Partalo, Executive Vice President, Strategic Development and Partnerships*  
**WPP**

”

## Scaled Services

“

*The most important when choosing a platform to advertise on is are we going to get our money's worth or not. Snapchat makes it so much easier because we can start small and grow at our own pace.*

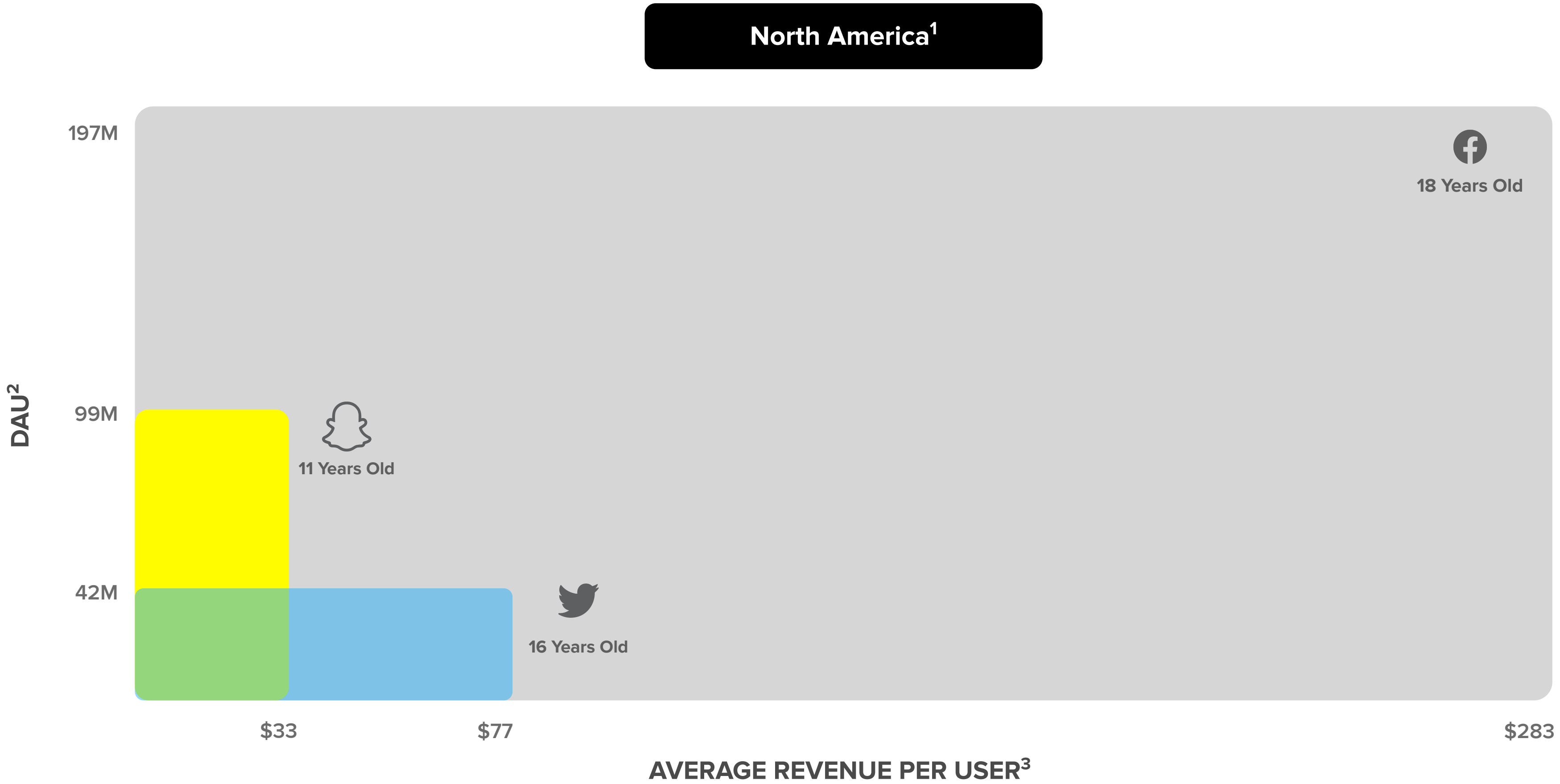
*Sima Mosbacher, CEO and Founder*  
**Moitie Cosmetics**

”

# Our ARPU Opportunity

# Significant DAU and ARPU Opportunities

North America is critical to growing revenue in the near and medium term—and we have a long runway ahead of us.



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

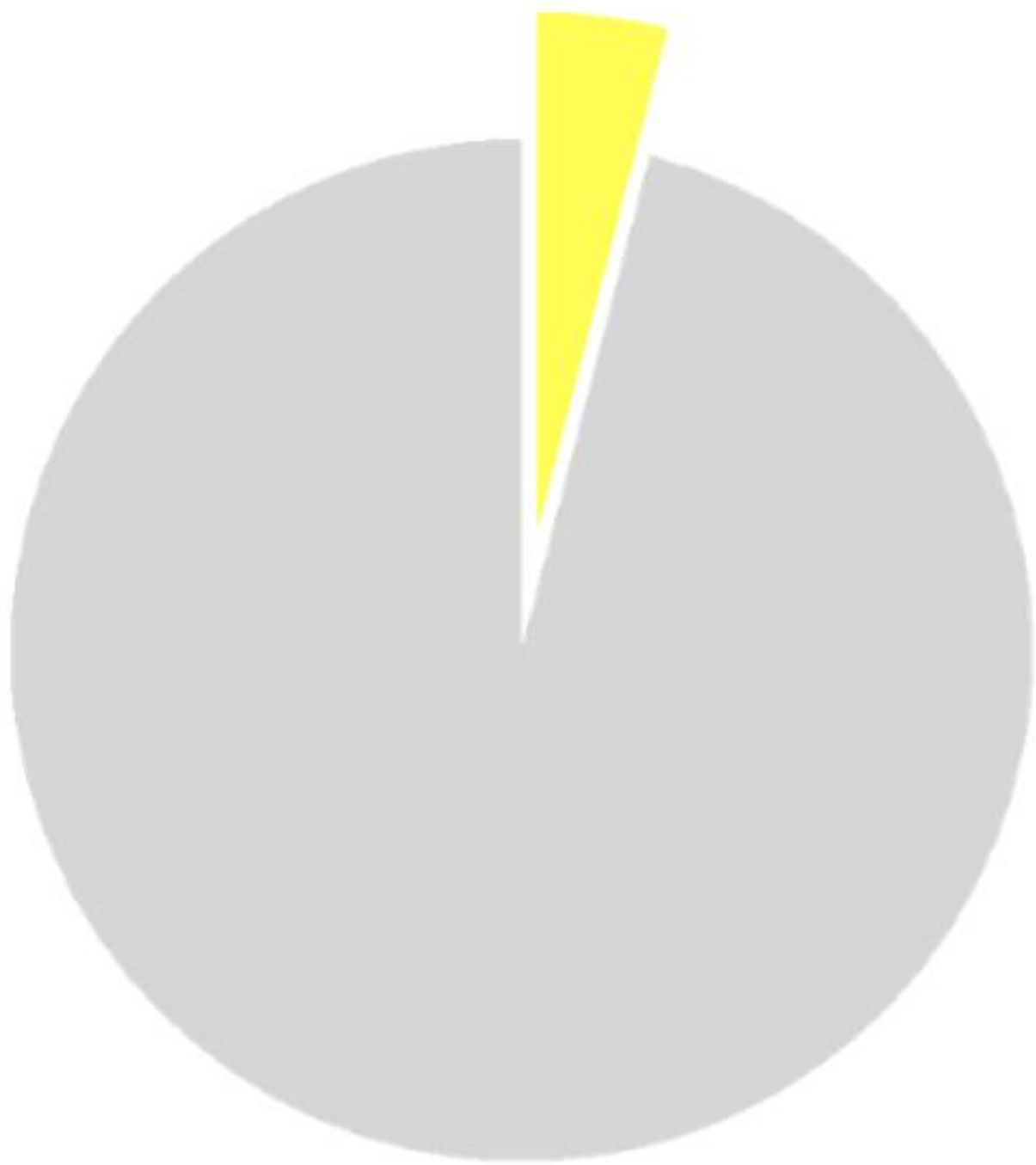
<sup>1</sup>Snap Inc. includes the US, Canada, Mexico, the Caribbean, and Central America. Facebook includes the US and Canada only. Twitter includes the US only.

<sup>2</sup>Snap Inc. internal data Q2 2022, as compared to publicly reported Facebook and Twitter data Q2 2022. We define a daily active user (DAU) as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. Twitter’s monetizable DAUs are shown and are 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 DAUs based on user activity only on Facebook and Messenger and not on the Company’s other products.

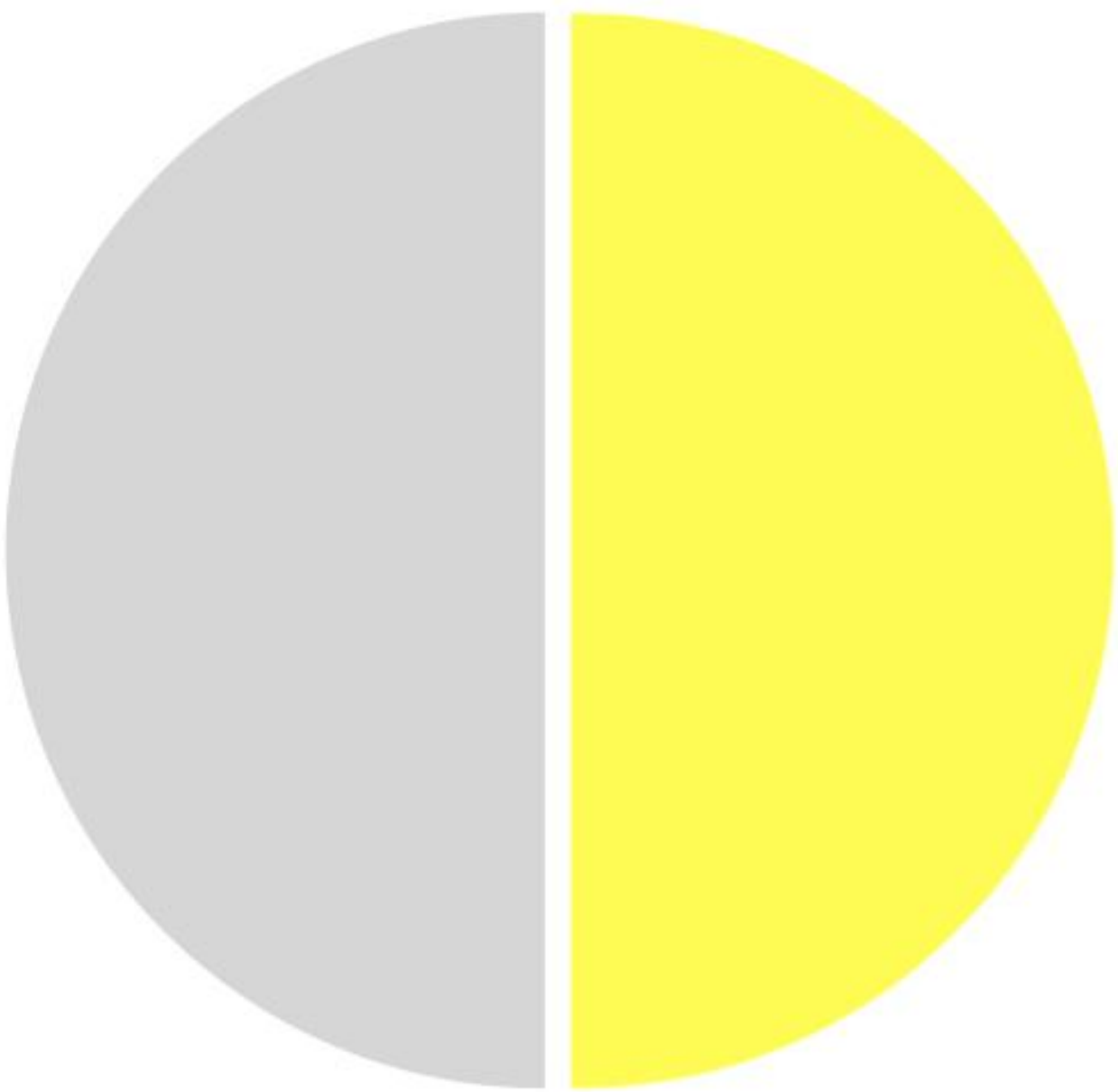
<sup>3</sup>Snap Inc. internal data Q3 2021–Q2 2022 as compared to publicly reported Facebook and Twitter data for Q3 2021–Q2 2022. We define average revenue per user (ARPU) as quarterly revenue divided by the average DAUs. Twitter’s ARPU is calculated as quarterly revenue divided by the average monetizable DAUs. Facebook’s ARPU is calculated as quarterly revenue divided by the average DAUs. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. See Snap. Inc. public filings with the SEC.

# Opportunity to Expand Our Market Share

Snapchat comprises  
***less than 2%*** of the  
US digital ad market<sup>1</sup>



yet ***reaches  
nearly half*** of US  
smartphone users.<sup>2</sup>



<sup>1</sup> Snap Inc. internal data 2021. eMarketer 2021 estimates, Mar. 2022. Percentage calculated by dividing Snap Inc. US revenue by US digital ad market. See Snap Inc. public filings with the SEC.  
<sup>2</sup> Snap Inc. internal data Q3 2022. eMarketer 2022 estimates, Feb. 2022. Percentage calculated by dividing US monthly active users by US smartphone users. See Snap Inc. public filings with the SEC.

Snapchat reaches more than **70%**<sup>1</sup> of 13 to 34 year-olds in countries comprising **over half**<sup>2</sup> of the world’s digital ad spend.



US



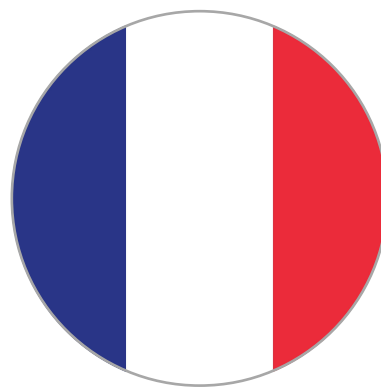
UK



Australia



Canada



France



Netherlands



Sweden



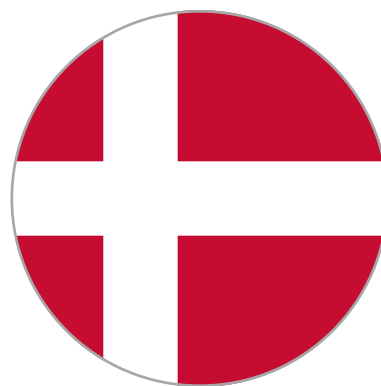
Norway



Saudi Arabia



Ireland



Denmark



Luxembourg

<sup>1</sup> Snap Inc. internal data Q3 2022. Penetration calculated as MAUs divided by 2021 population estimates per the 2022 United Nations World Population Prospects.

<sup>2</sup> eMarketer 2022 estimates, Mar. 2022.

# The Advertising Industry Is Moving in Our Direction

Expected growth in the US advertising market combined with a secular shift toward digital, mobile, and video advertising.



eMarketer estimates, Mar. 2022. Estimates shown are for the US advertising market.

<sup>1</sup> Traditional includes directories, magazines, newspapers, out-of-home, radio and TV. Digital includes banner ads, classified ads, email, lead generation, mobile messaging, rich media, search ads and sponsorships.

<sup>2</sup> Desktop includes advertising that appears on desktop and laptop computers and other non-mobile internet-connected devices. Mobile includes advertising that appears on mobile phones, tablets and other mobile internet-connected devices.

<sup>3</sup> Video includes instream video ads, video overlays, social network instream video advertising, outstream video ads, and in-article, in-banner and interstitial video ads. Non-video includes banner ads, non-video rich media, sponsorships, search ads, lead generation, classifieds and directories, email, and mobile messaging.

# Snapchat+

Snapchat+ is a collection of exclusive, experimental, and pre-release features in Snapchat for a monthly subscription fee.

## Snapchat+ subscribers can:

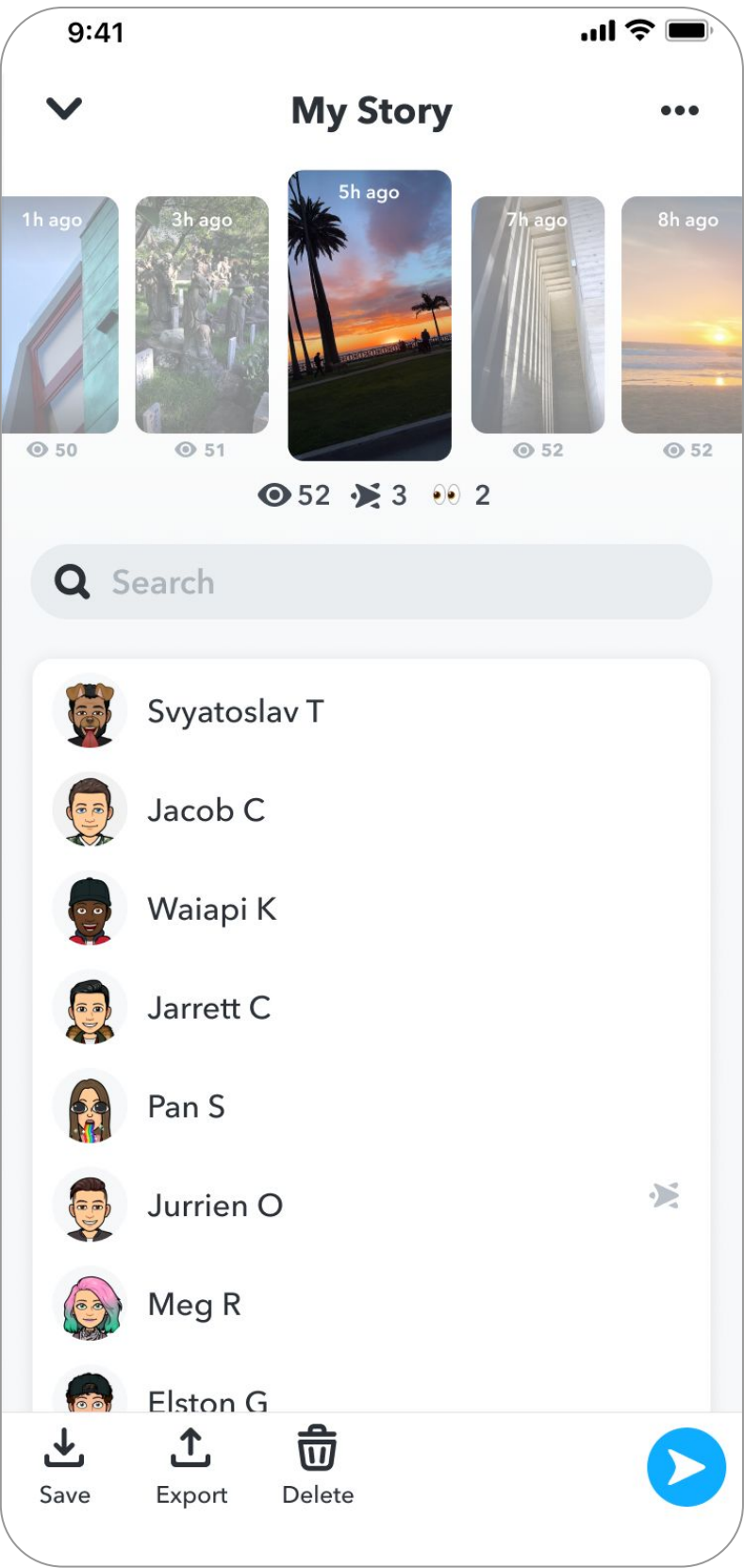
- Change their app icon
- Pin their best friend to the top of their chat screen
- Change their Bitmoji backgrounds
- See how many times their Stories have been rewatched
- And much more!

**Over 1.5M subscribers**  
as of Q3 2022.<sup>1</sup>

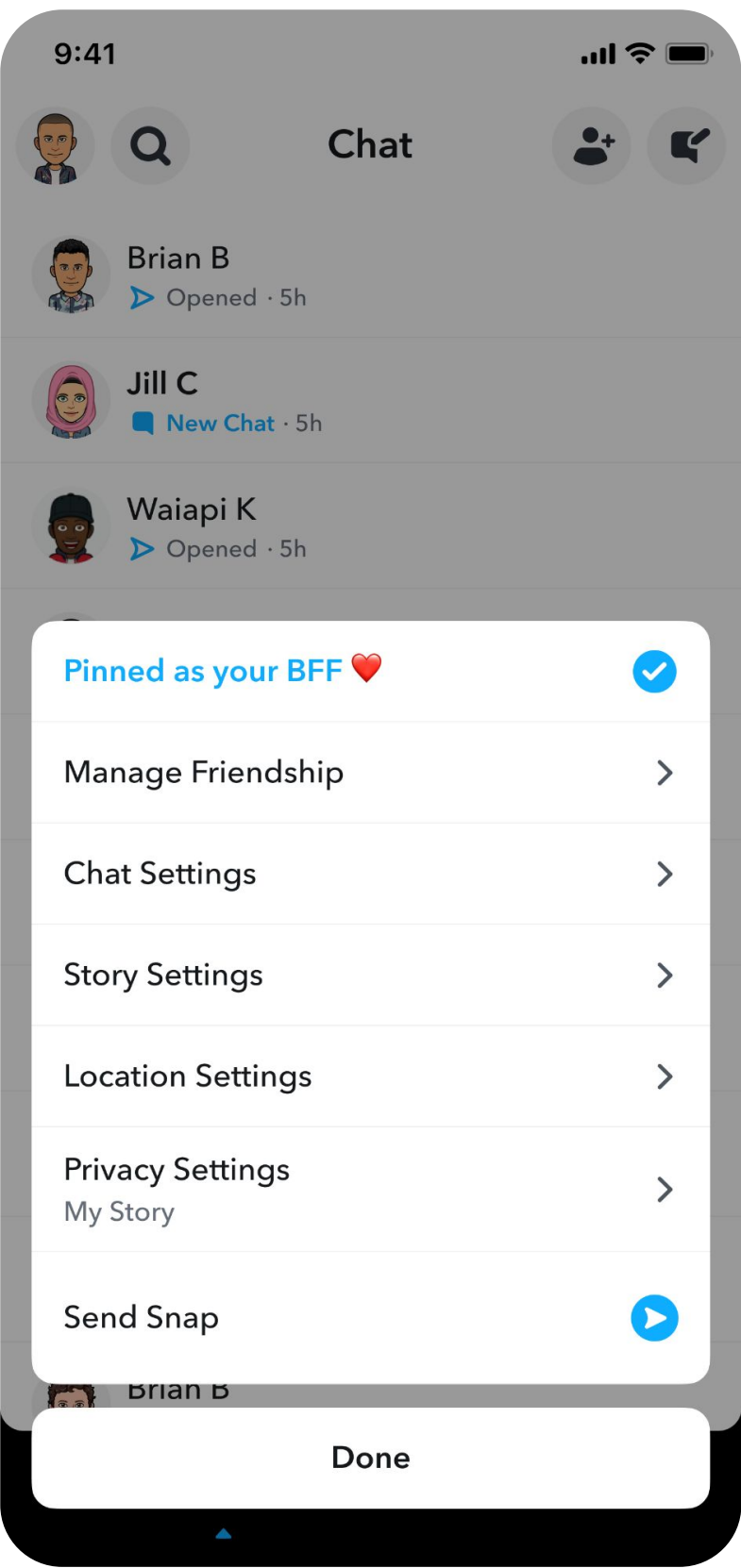
BITMOJI BACKGROUNDS



STORY REWATCH COUNT



PIN BEST FRIEND



<sup>1</sup>Snap Inc. internal data Q3 2022.

# Future of Augmented Reality

# AR Builds Consumer Confidence

Over half of the shoppers on Snapchat agree that AR gives them more confidence about product quality.<sup>1</sup>

**7 in 10 consumers**

are interested in using AR to interact with a product before buying it.<sup>2</sup>

Returns are a \$550B problem, which AR can help fix. AR-guided purchases led to a **25% decrease in returns.**<sup>3</sup>

TRUE SIZE TECHNOLOGY



WRIST TRACKING



TRY-ON



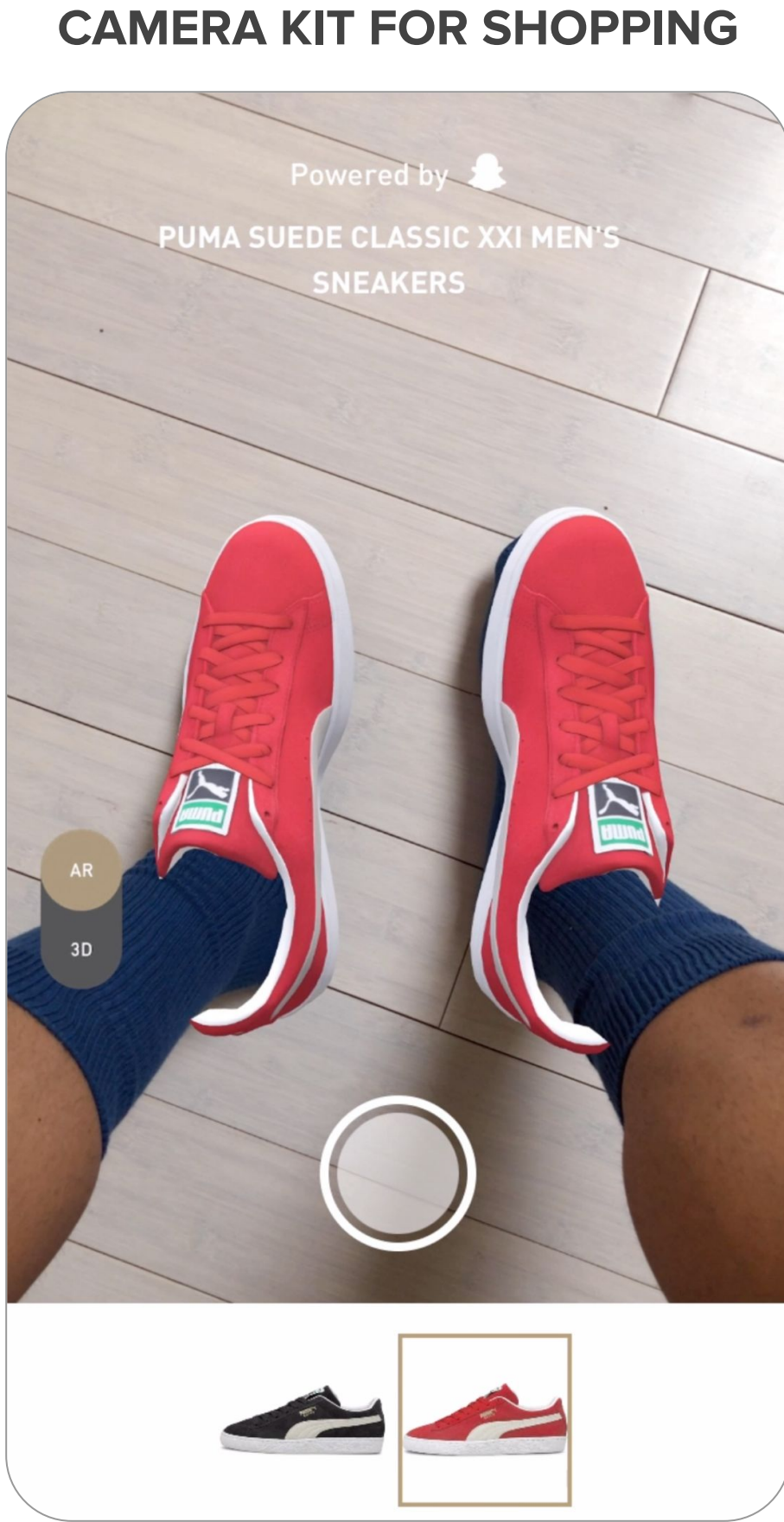
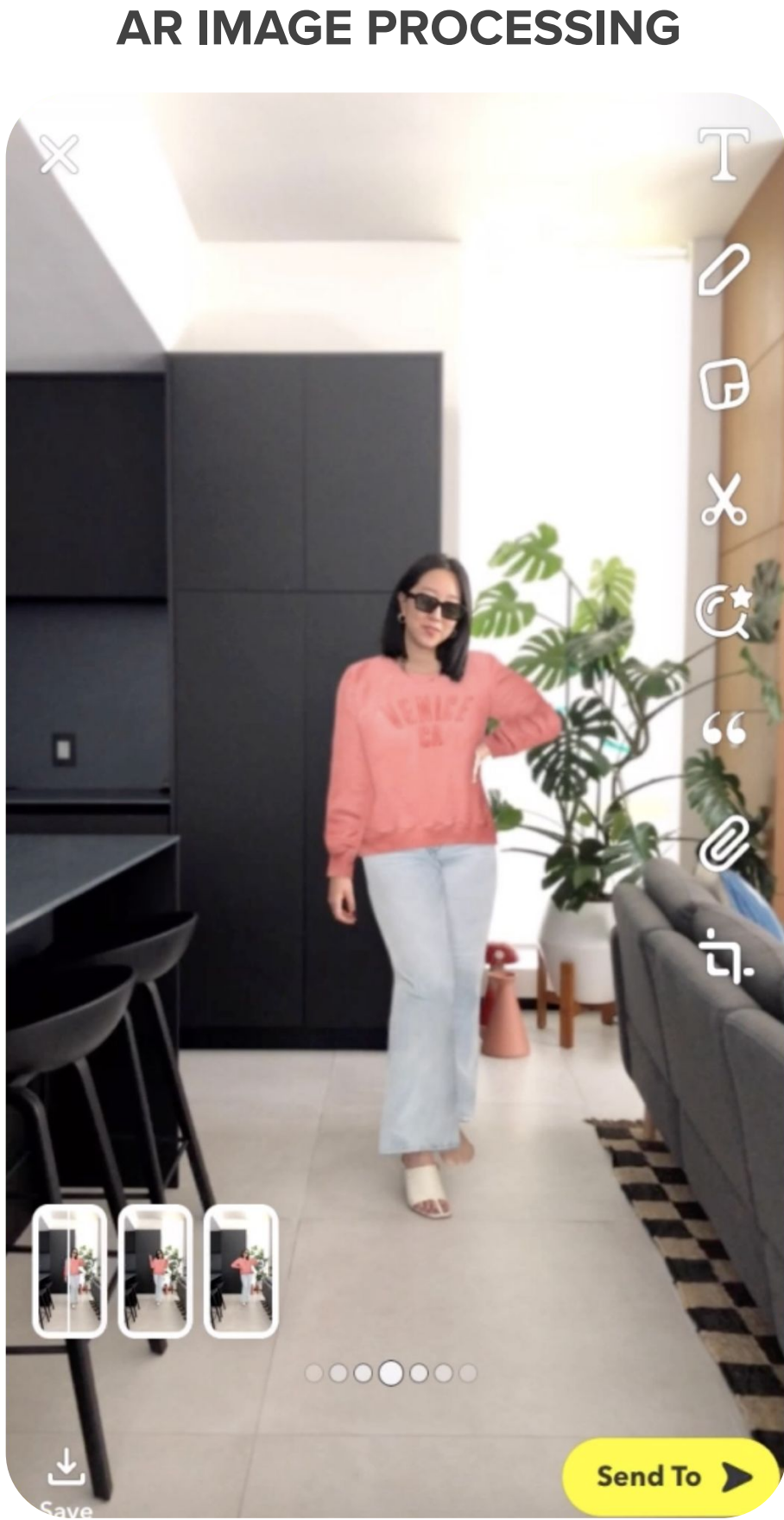
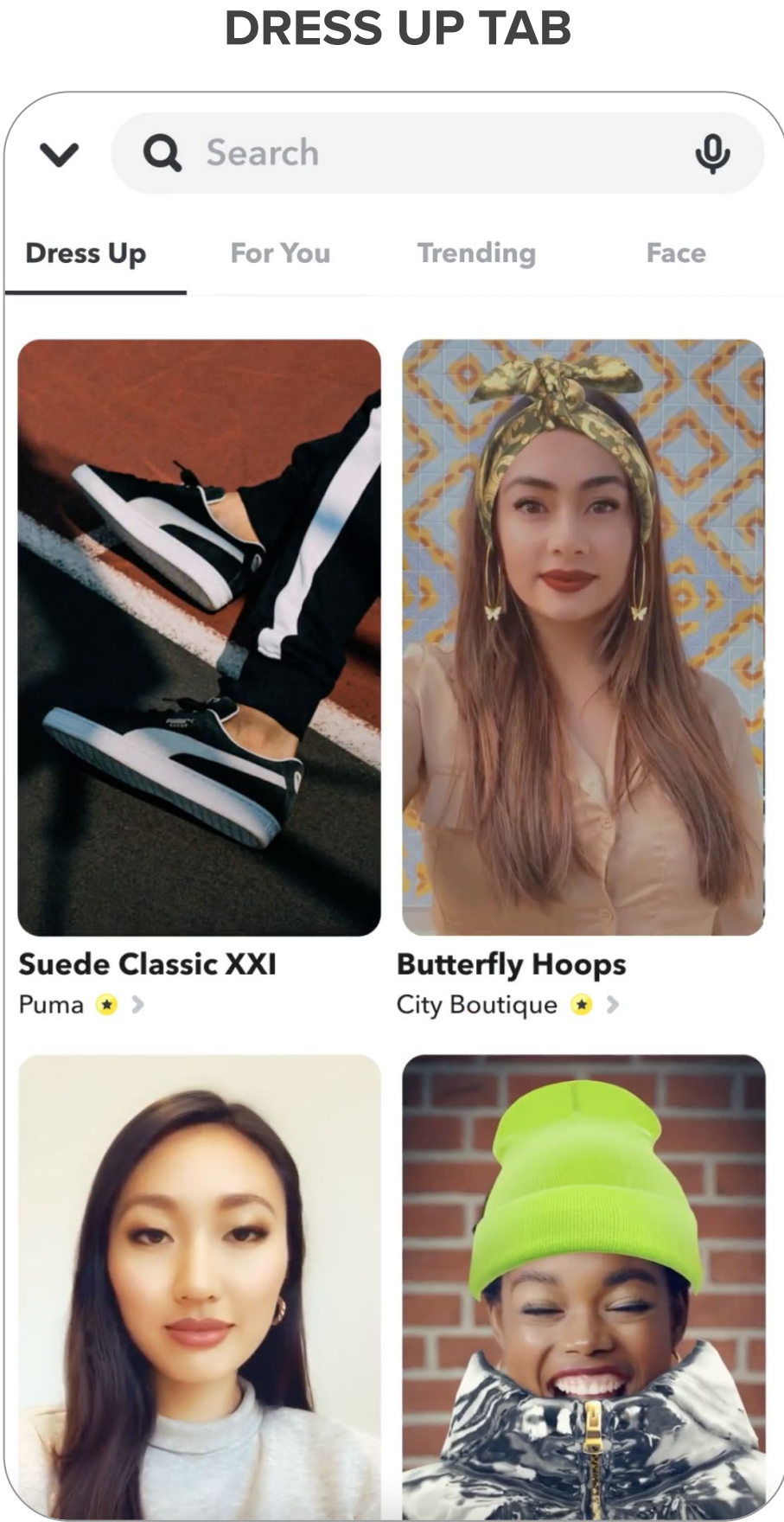
<sup>1</sup> 2021 Global Deloitte Digital Study commissioned by Snap Inc. | Base = Aggregate (n=8,770).  
<sup>2</sup> 2022 Global Ipsos Study commissioned by Snap Inc. | Base: Global consumers: 13-44 Smartphone users: n=24,758 | Thinking about what you can do using AR both now and in the future, how interested, if at all, are you in each of the following? 'Interacting with a product before buying it.'(NET: Very / Somewhat interested).  
<sup>3</sup> ARInsider Article, "Does AR Really Reduce eCommerce Returns?"

# AR Shopping

We’re making it faster and easier for businesses to build augmented reality shopping products while also reimagining the try-on experience for Snapchatters.

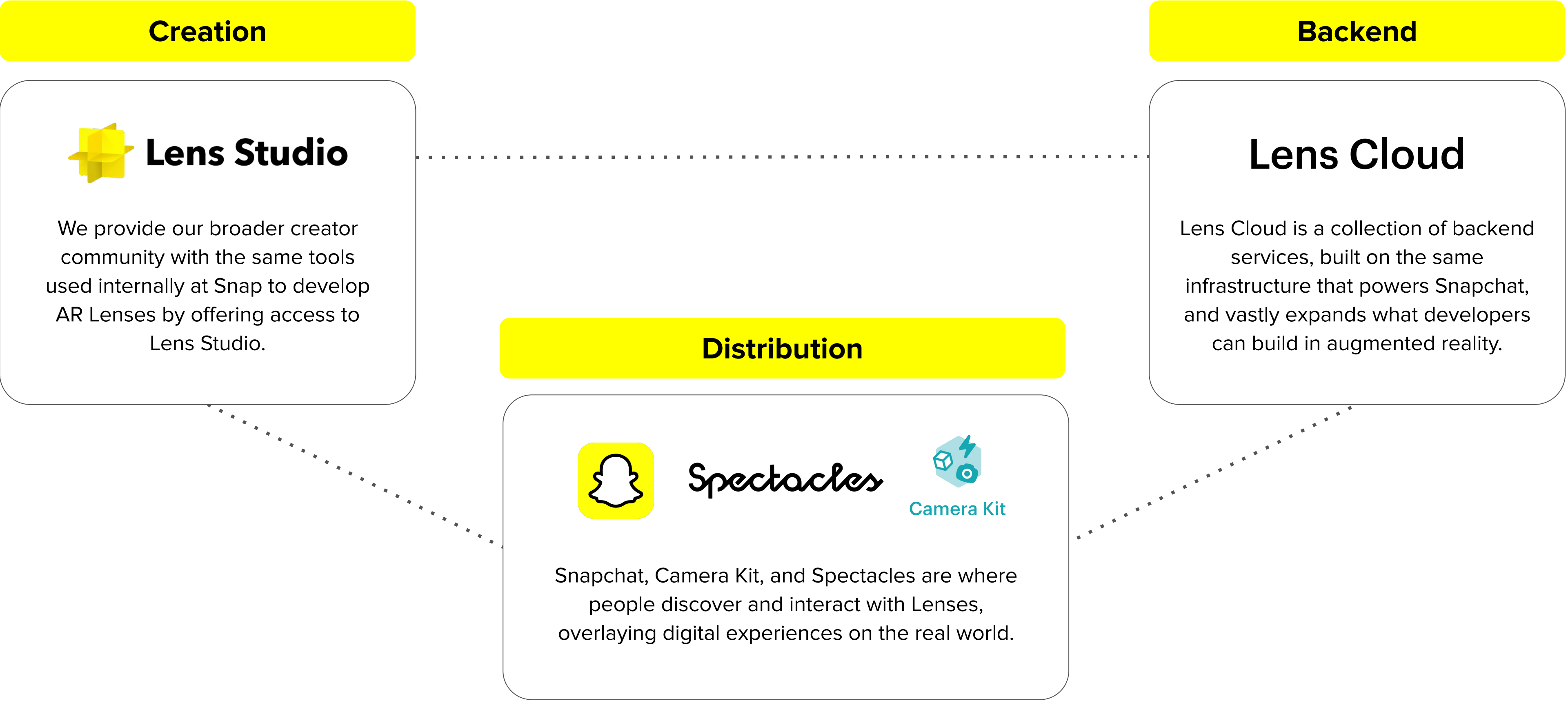
Our Dress Up tab is a personalized destination on Snapchat where users can browse and try-on outfits and accessories.

We’re also offering tools for businesses to help them create, manage, and distribute AR shopping experiences, such as our AR Image Processing Technology, 3D Asset Manager, Shopping templates, and Camera Kit for AR Shopping.



# Continuing to Invest in the Future of Augmented Reality

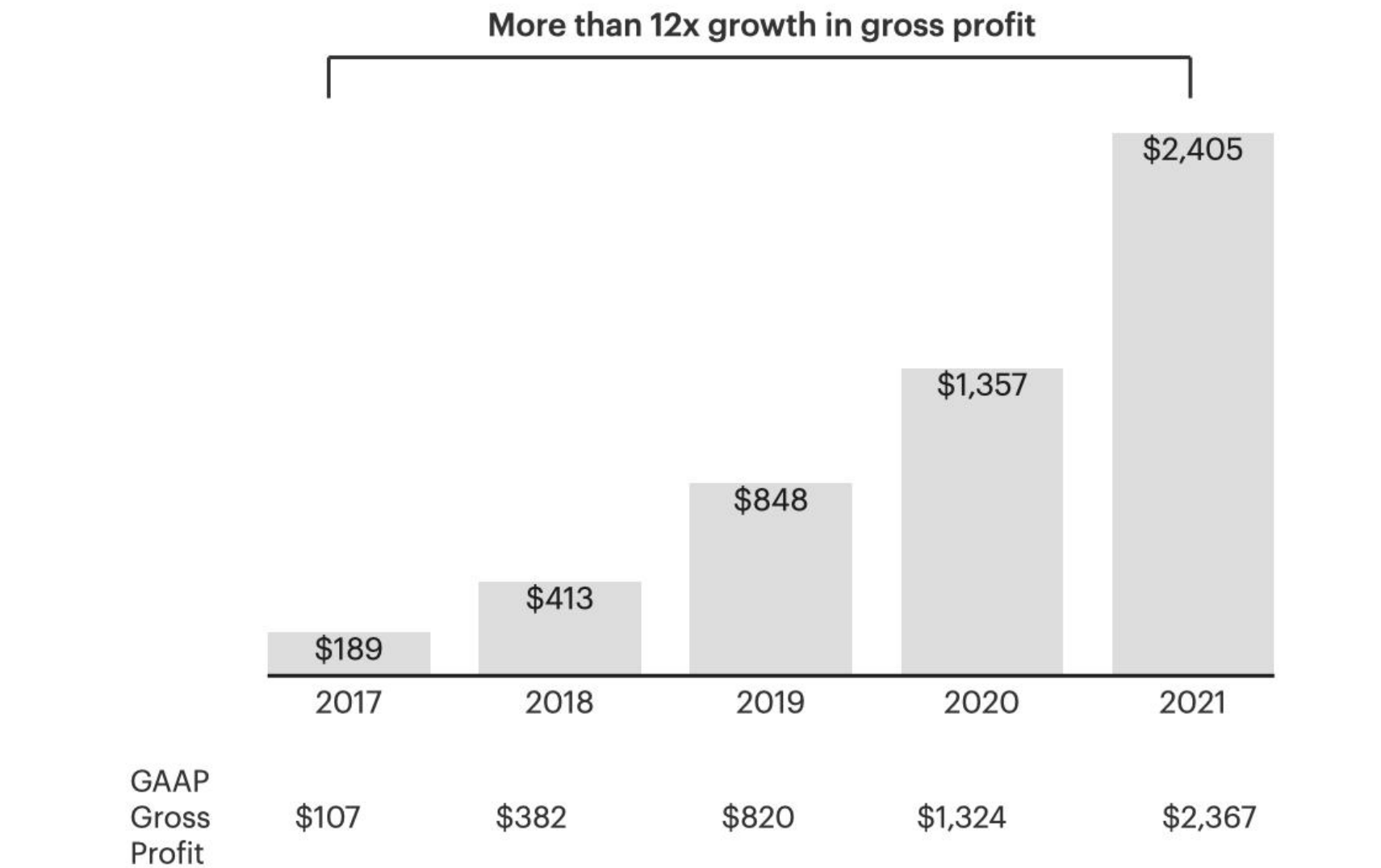
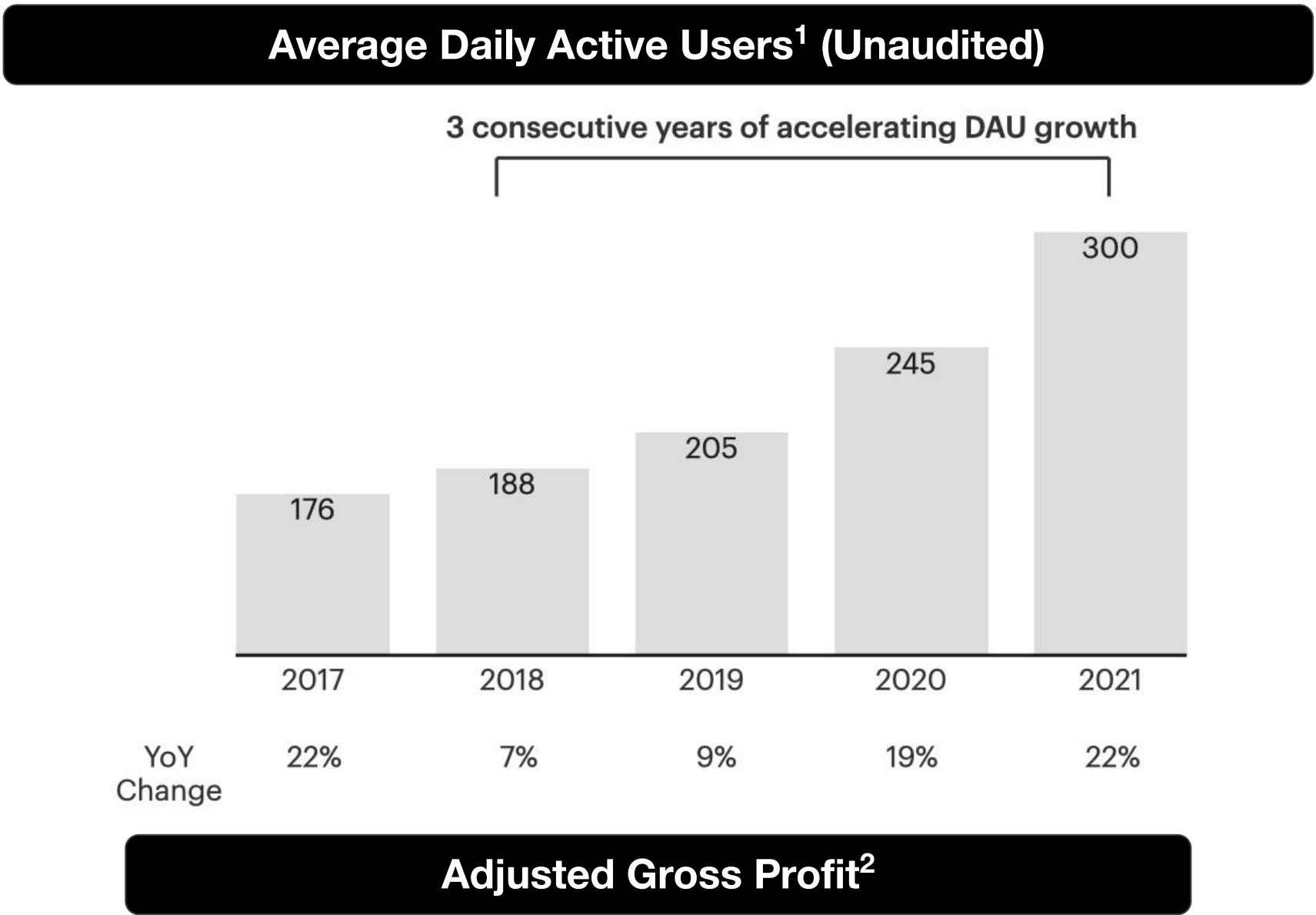
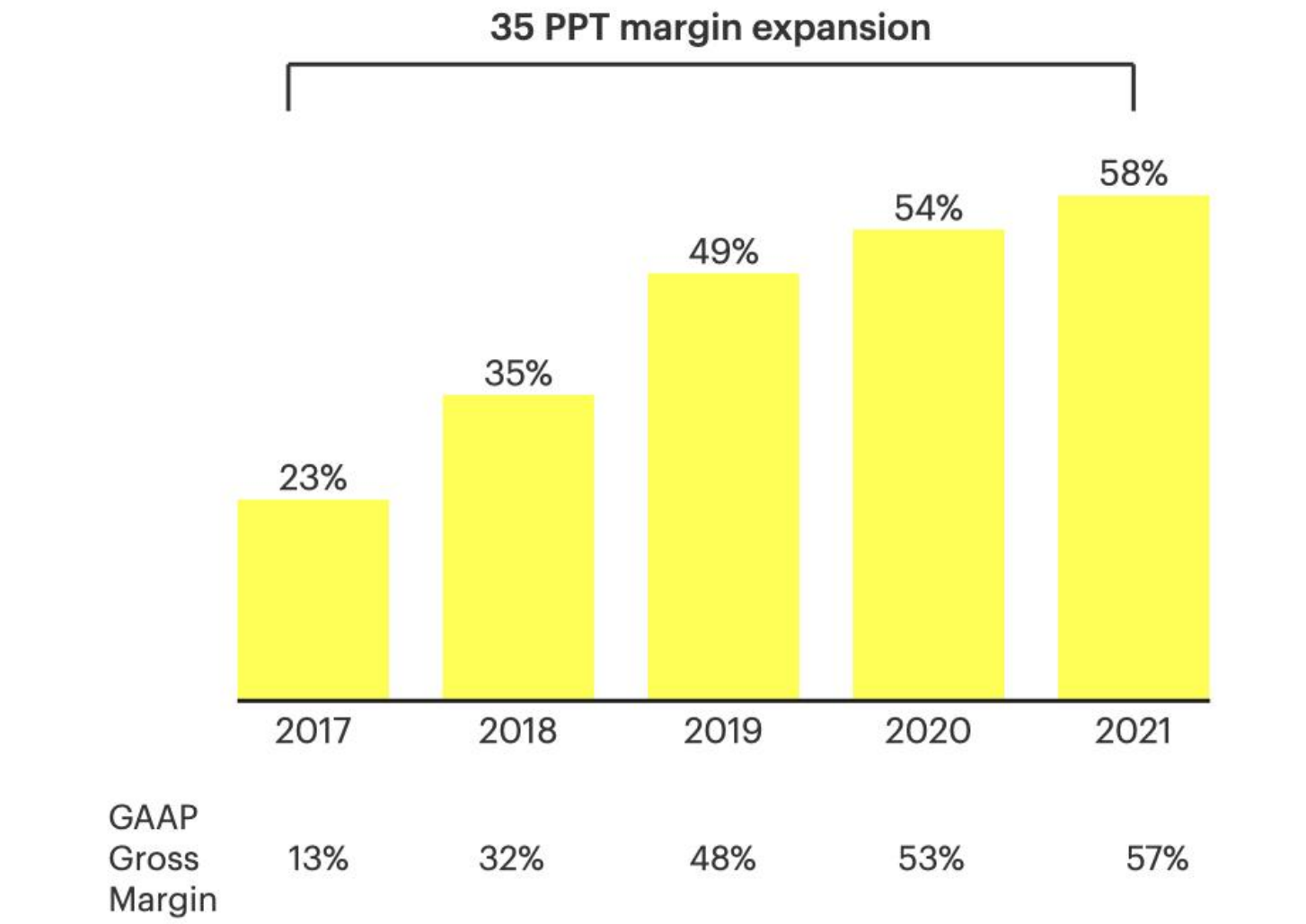
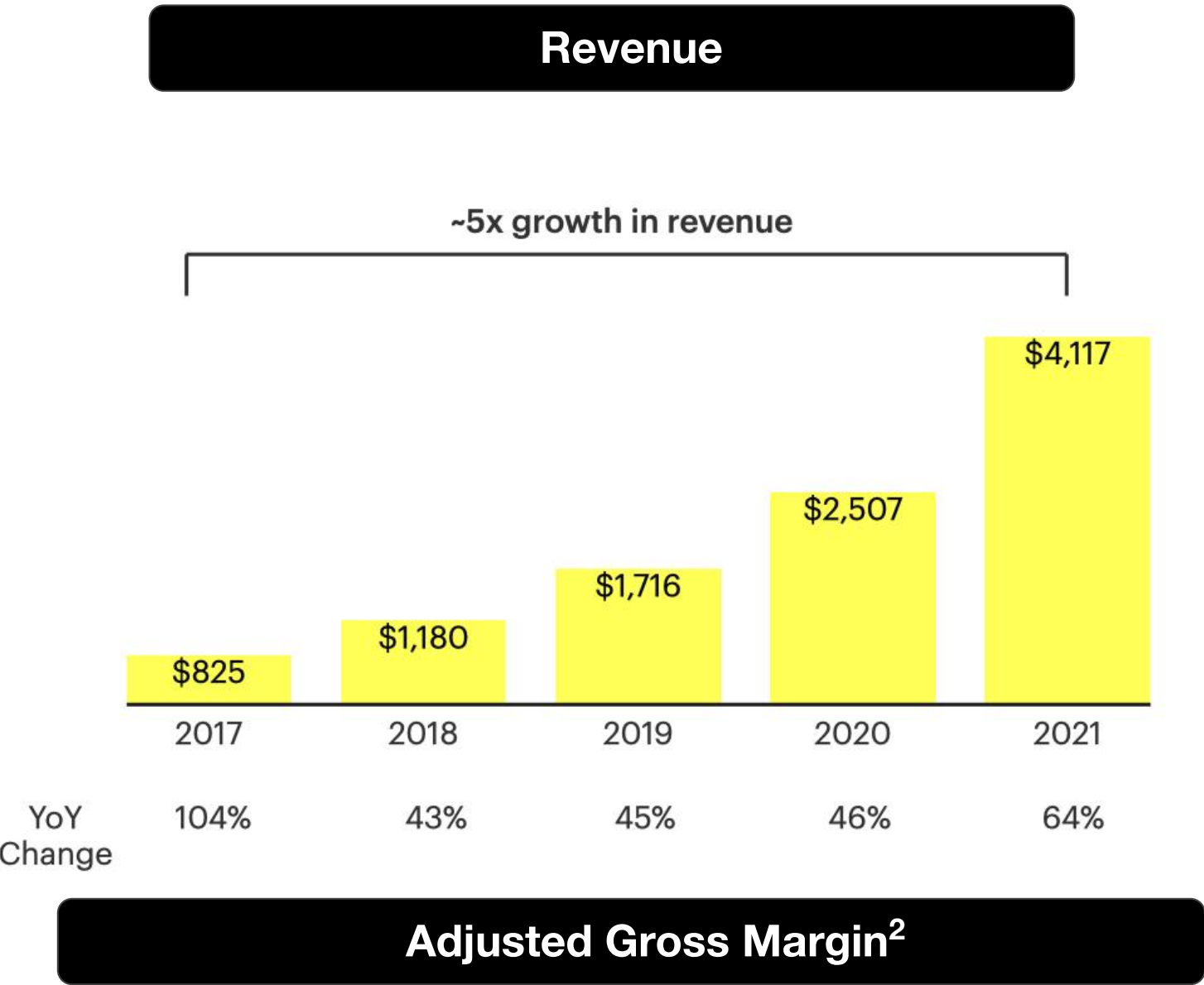
We believe that immersive experiences will drive AR utilization-grounded in the real world, shared with friends, and integrated into your life.



# Long-Term Value Creation

in millions

# Growing Revenue and Scaling Efficiently

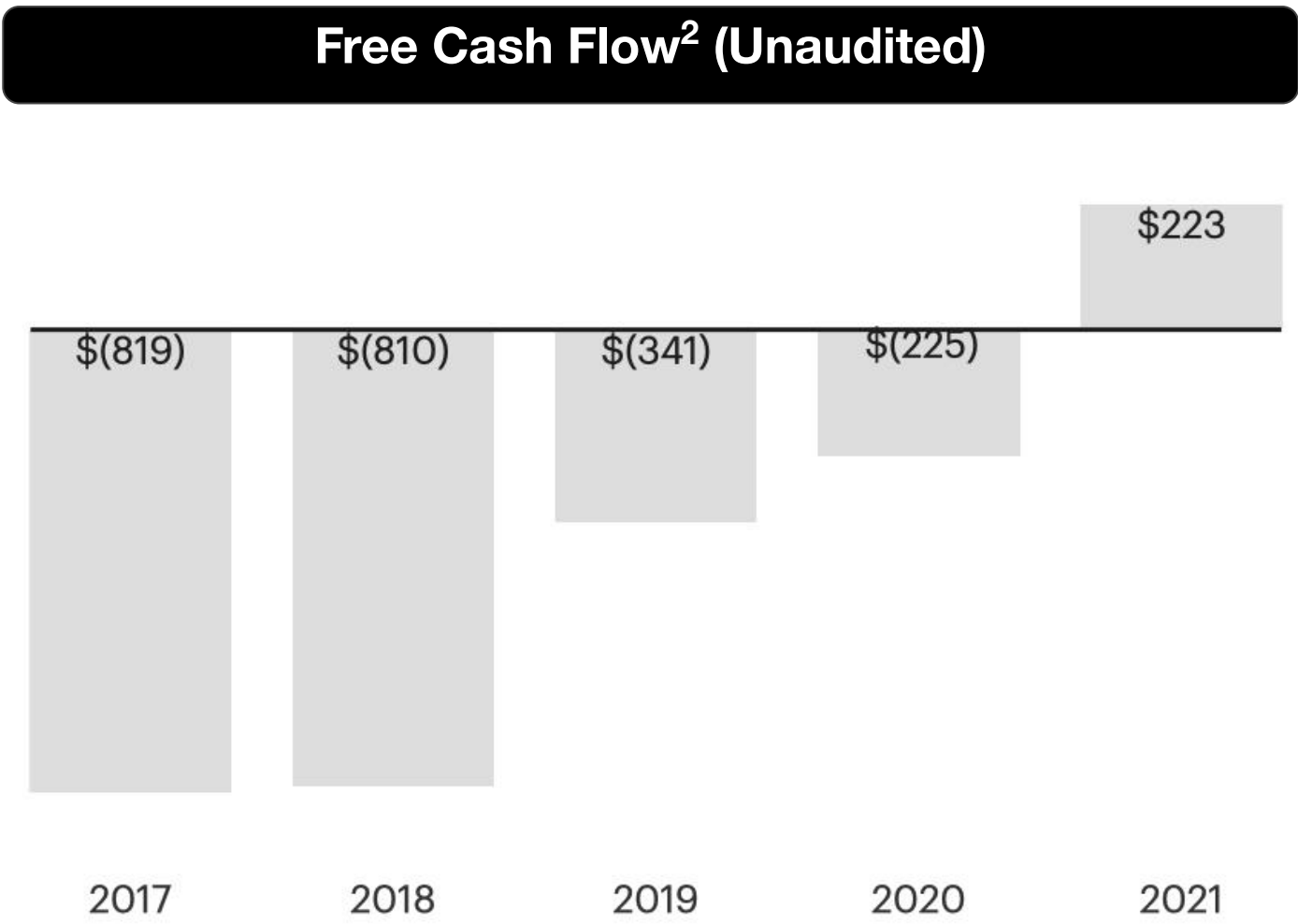
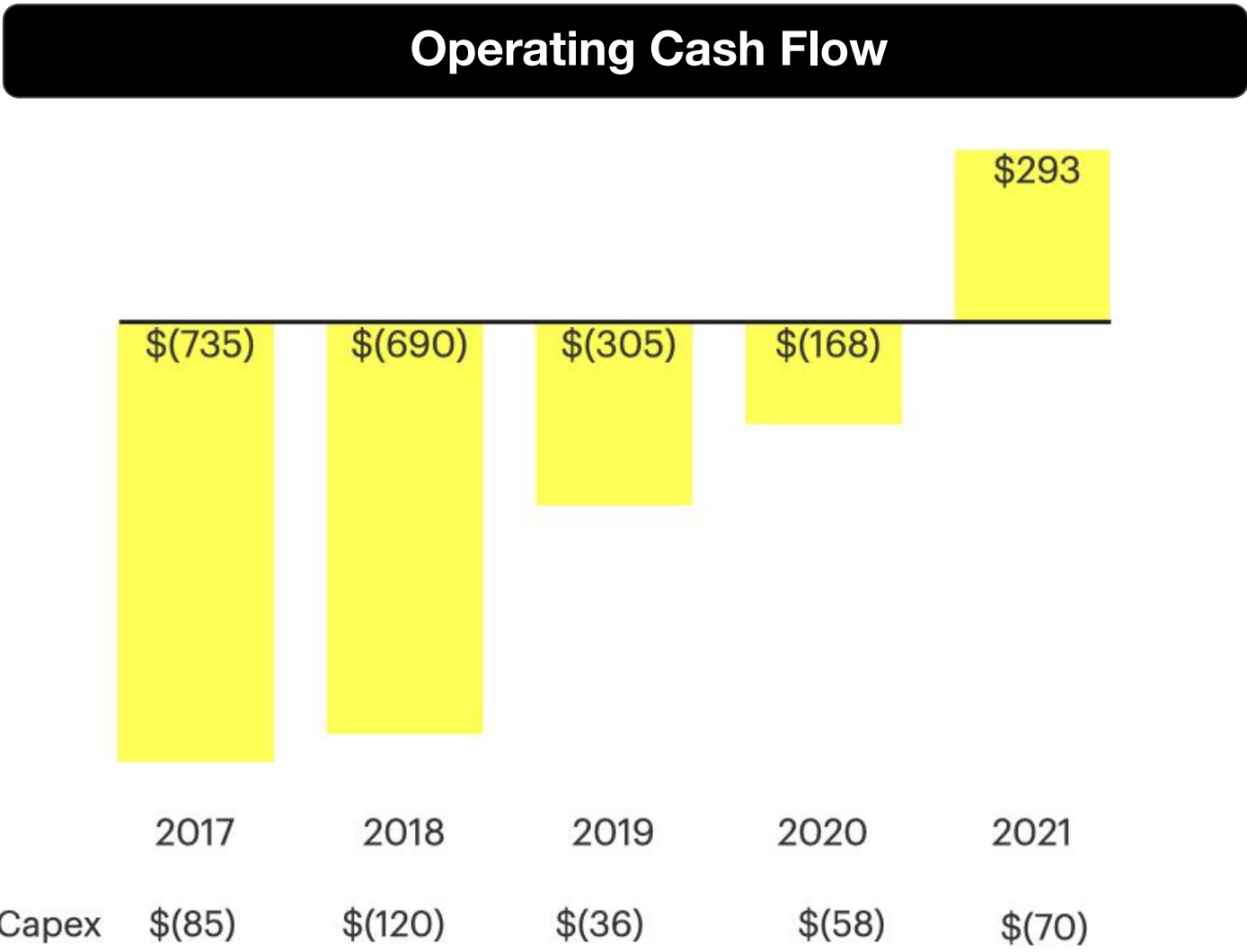
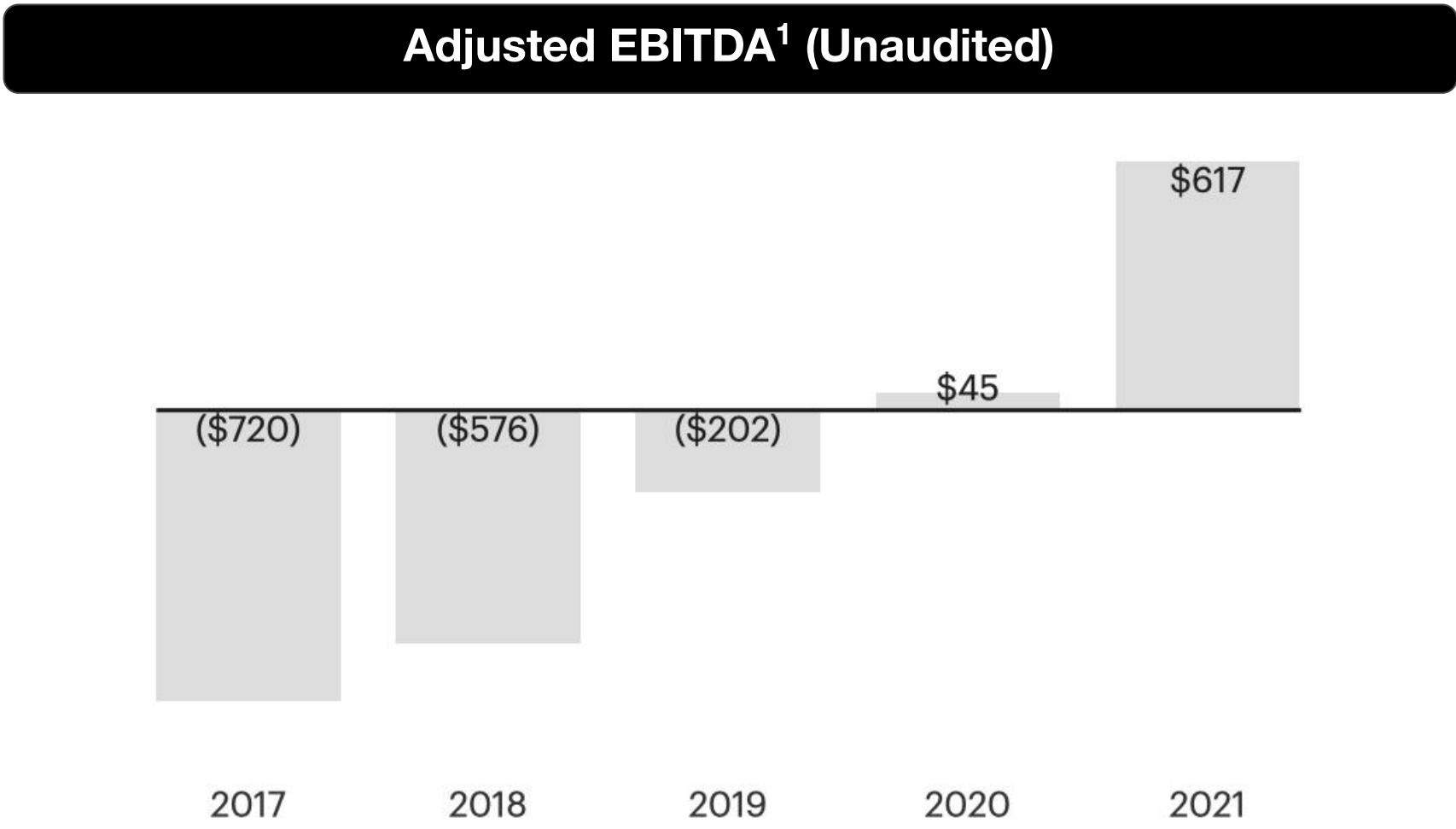
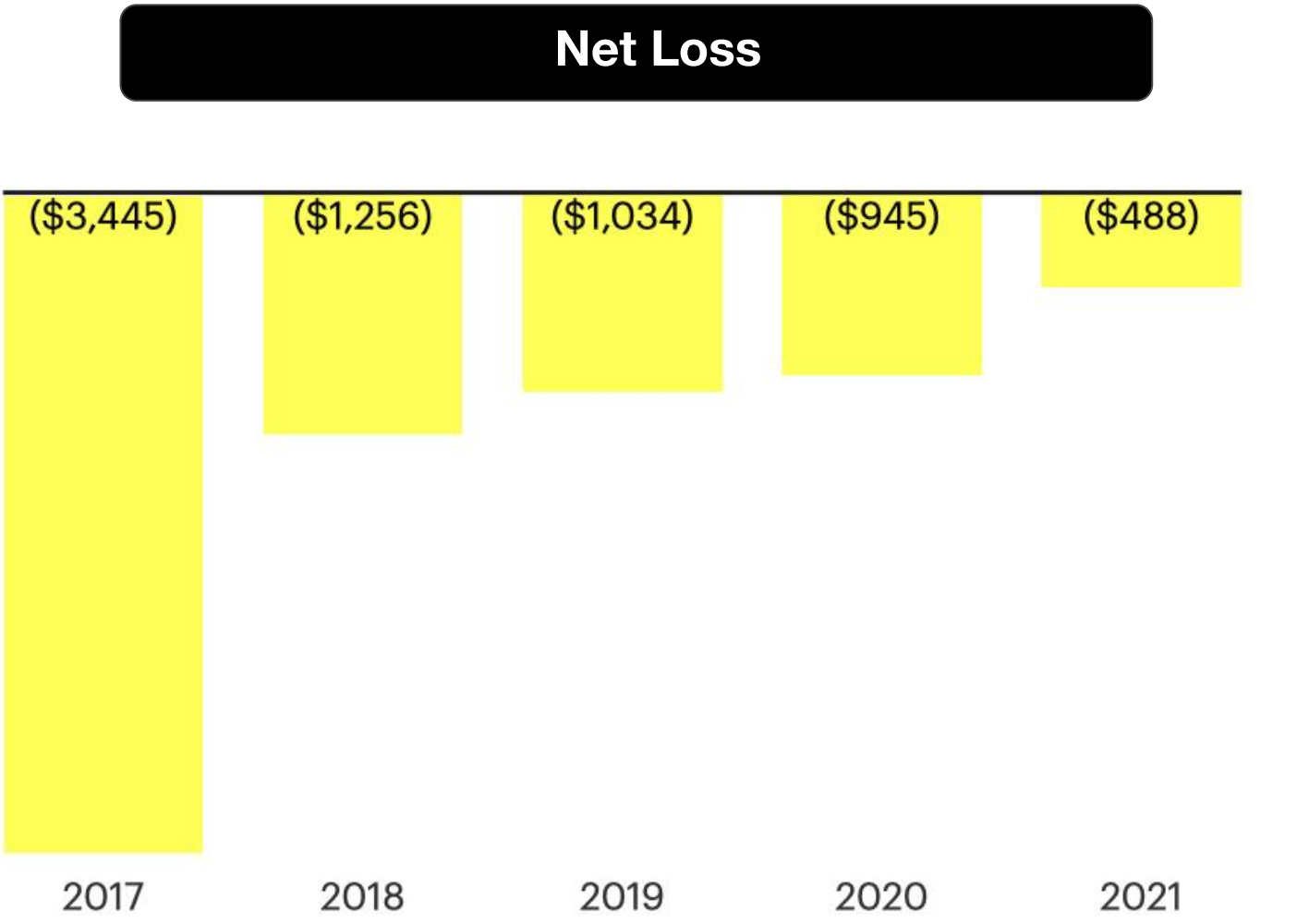


<sup>1</sup> We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average Daily Active Users for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter. Average Daily Active Users in this slide is presented as annual DAU, calculated as the average of each quarterly DAU.

<sup>2</sup> Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization, and certain other non-cash or nonrecurring items impacting net income (loss) from time to time.

in millions

# Balanced Approach to Investment Driving Path to Profitability



<sup>1</sup> 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 other payroll related tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for annual reconciliation of net loss to Adjusted EBITDA.

<sup>2</sup> We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. See Appendix for annual reconciliation of net cash provided by (used in) operating activities to Free Cash Flow.

Operating cash flow and free cash flow in Q4’20 includes a \$98 million payment for a non-recurring legal settlement related to a securities class action lawsuit, accrued in 2019.

# Capital Allocation

## Build a Strong Balance Sheet to Ensure Strategic Flexibility

\$4.4 billion in cash, cash equivalents and marketable securities<sup>1</sup>

Conservative financial leverage with \$3.7 billion of debt outstanding<sup>1</sup>

No debt maturing before 2025

## Invest to Drive Organic Growth in Top Line

Investing in our products and platforms to sustain the growth of our community

Investing heavily in our Direct Response advertising business

Investing in areas critical to realizing the long-term opportunity of augmented reality

## Effective Dilution Management Strategy to Drive Shareholder Value

Completed our first \$500 million stock repurchase program, with 3.1% of outstanding shares repurchased at an average price of \$9.75

We announced an additional stock repurchase program of up to \$500 million to help offset the impact of anticipated future dilution related to stock-based compensation.

<sup>1</sup> As of Sept. 30, 2022.

# Focused Investment to Drive Long-Term Growth

**Community Growth**

**Innovative Products**

**Localization**

**Application Performance**

**Revenue Growth**

**Ad Platform Improvements**

**New Sources of Revenue**

Spotlight

Snapchat+

Snap Map

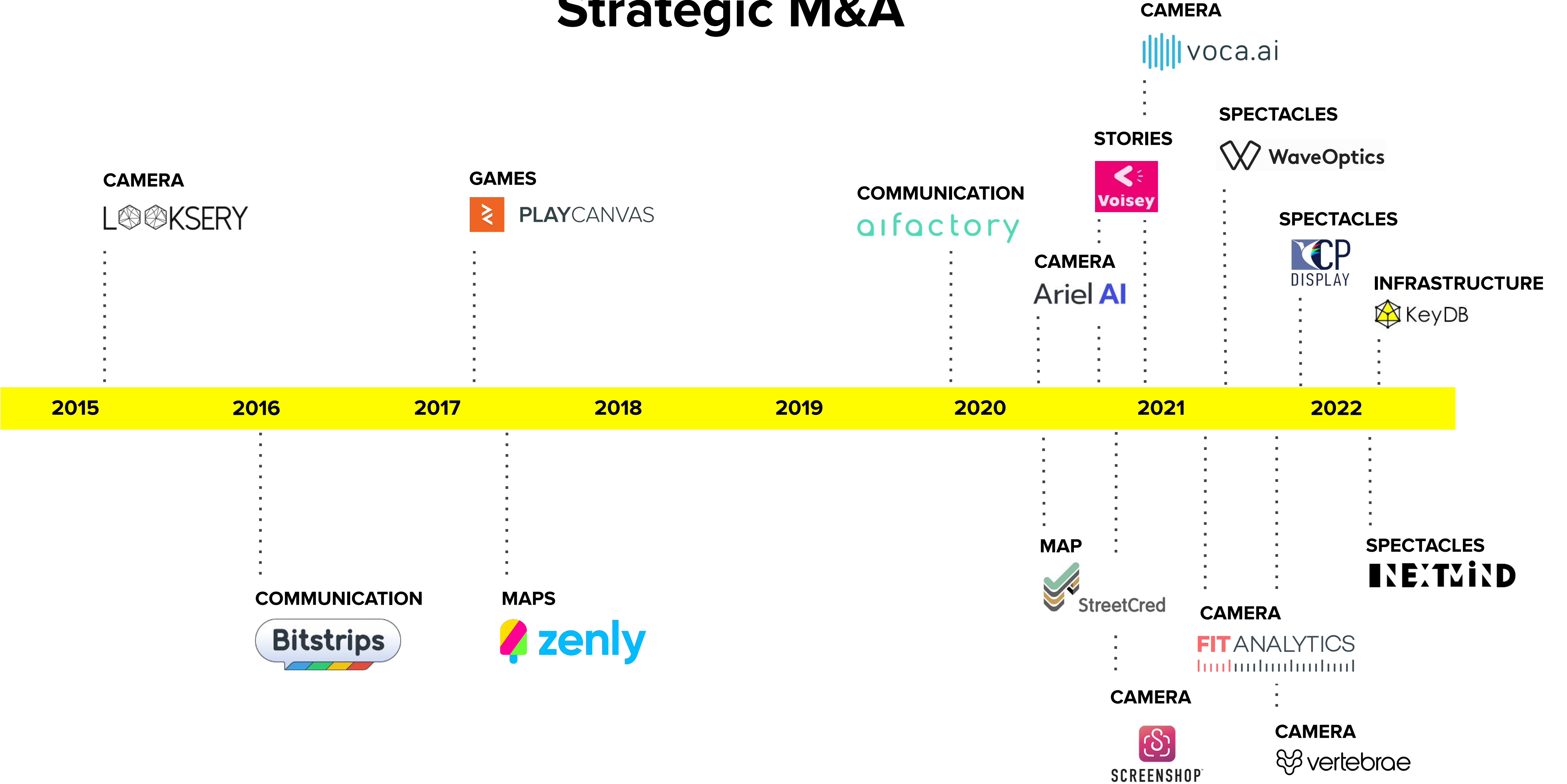
**Augmented Reality**

**Core Technology Platform**

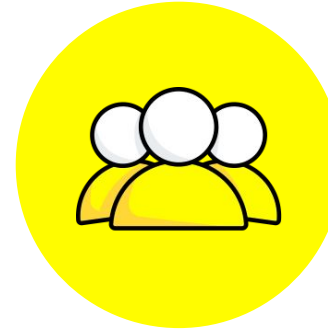
**Consumer Facing Experiences**

Reprioritized investments to drive adjusted EBITDA and positive FCF

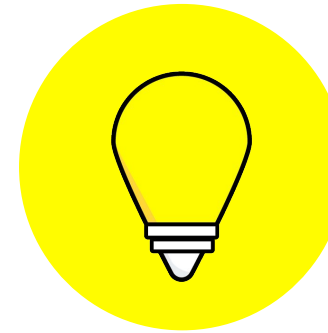
# Strategic M&A



# Long-Term Value Creation



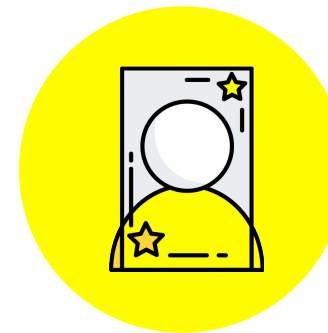
Execute our international growth playbook to grow our community in the long term.



Invest in our products and platforms to deepen engagement and expand ARPU opportunity.



Invest heavily in our ad platform to deliver measurable returns on advertising spending while diversifying revenue sources.



Invest in the future of augmented reality.



Scale operations efficiently and balance investments with growth to drive positive free cash flow.



Build conservative balance sheet to prepare for the unexpected and fund the opportunistic.

# Appendix

## Non-GAAP Financial Measures Reconciliation - Annual

(in thousands, unaudited)

|                                                         | Year Ended          |                     |                     |                     |                   |  |
|---------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|--|
|                                                         | 2017                | 2018                | 2019                | 2020                | 2021              |  |
| <b>Adjusted EBITDA Reconciliation</b>                   |                     |                     |                     |                     |                   |  |
| Net income (loss)                                       | \$ (3,445,066)      | \$ (1,255,911)      | \$ (1,033,660)      | \$ (944,839)        | \$ (487,955)      |  |
| Add (deduct):                                           |                     |                     |                     |                     |                   |  |
| Interest income                                         | (21,096)            | (27,228)            | (36,042)            | (18,127)            | (5,199)           |  |
| Interest expense                                        | 3,456               | 3,894               | 24,994              | 97,228              | 17,676            |  |
| Other (income) expense, net                             | (4,528)             | 8,248               | (59,013)            | (14,988)            | (240,175)         |  |
| Income tax (benefit) expense                            | (18,342)            | 2,547               | 393                 | 18,654              | 13,584            |  |
| Depreciation and amortization                           | 61,288              | 91,648              | 87,245              | 86,744              | 119,141           |  |
| Stock-based compensation expense                        | 2,639,895           | 538,211             | 686,013             | 770,182             | 1,092,135         |  |
| Payroll tax expense related to stock-based compensation | 24,470              | 21,927              | 27,840              | 50,309              | 107,479           |  |
| Securities class actions legal charges                  | -                   | -                   | 100,000             | -                   | -                 |  |
| Spectacles inventory-related charges                    | 39,867              | -                   | -                   | -                   | -                 |  |
| Reduction in force                                      | -                   | 9,884               | -                   | -                   | -                 |  |
| Lease exit charges                                      | -                   | 31,143              | -                   | -                   | -                 |  |
| <b>Adjusted EBITDA<sup>2</sup></b>                      | <b>\$ (720,056)</b> | <b>\$ (575,637)</b> | <b>\$ (202,230)</b> | <b>\$ 45,163</b>    | <b>\$ 616,686</b> |  |
|                                                         |                     |                     |                     |                     |                   |  |
|                                                         | Year Ended          |                     |                     |                     |                   |  |
|                                                         | 2017                | 2018                | 2019                | 2020                | 2021              |  |
| <b>Free Cash Flow Reconciliation</b>                    |                     |                     |                     |                     |                   |  |
| Net cash provided by (used) in operating activities     | \$ (734,667)        | \$ (689,924)        | \$ (304,958)        | \$ (167,644)        | \$ 292,880        |  |
| Less:                                                   |                     |                     |                     |                     |                   |  |
| Purchases of property and equipment                     | (84,518)            | (120,242)           | (36,478)            | (57,832)            | (69,875)          |  |
| <b>Free Cash Flow<sup>1</sup></b>                       | <b>\$ (819,185)</b> | <b>\$ (810,166)</b> | <b>\$ (341,436)</b> | <b>\$ (225,476)</b> | <b>\$ 223,005</b> |  |

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

<sup>2</sup>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 other payroll related tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Securities class action lawsuit legal charges related to a preliminary agreement to settle the securities class action lawsuit 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.

Numbers throughout presentation may not foot due to rounding.

**Snap Inc.**