

Snap Inc.

Investor Presentation

July 2023

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. 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. 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, future stock repurchase programs or stock dividends, 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, macroeconomic uncertainty, and geo-political conflicts, 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 profitability; our ability to generate and sustain positive cash flow; our ability to attract and retain users, partners, and advertisers; competition and new market entrants; managing our growth and future expenses; compliance with 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 team members and key personnel; our ability to repay or refinance outstanding debt, or to access additional financing; future acquisitions, divestitures, or investments; and the potential adverse impact of climate change, natural disasters, health epidemics, macroeconomic conditions, and war or 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. 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 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), filings with the SEC, webcasts, press releases, investor letters, 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 technology company.

We believe the camera presents the 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

Over 750 million monthly active users¹

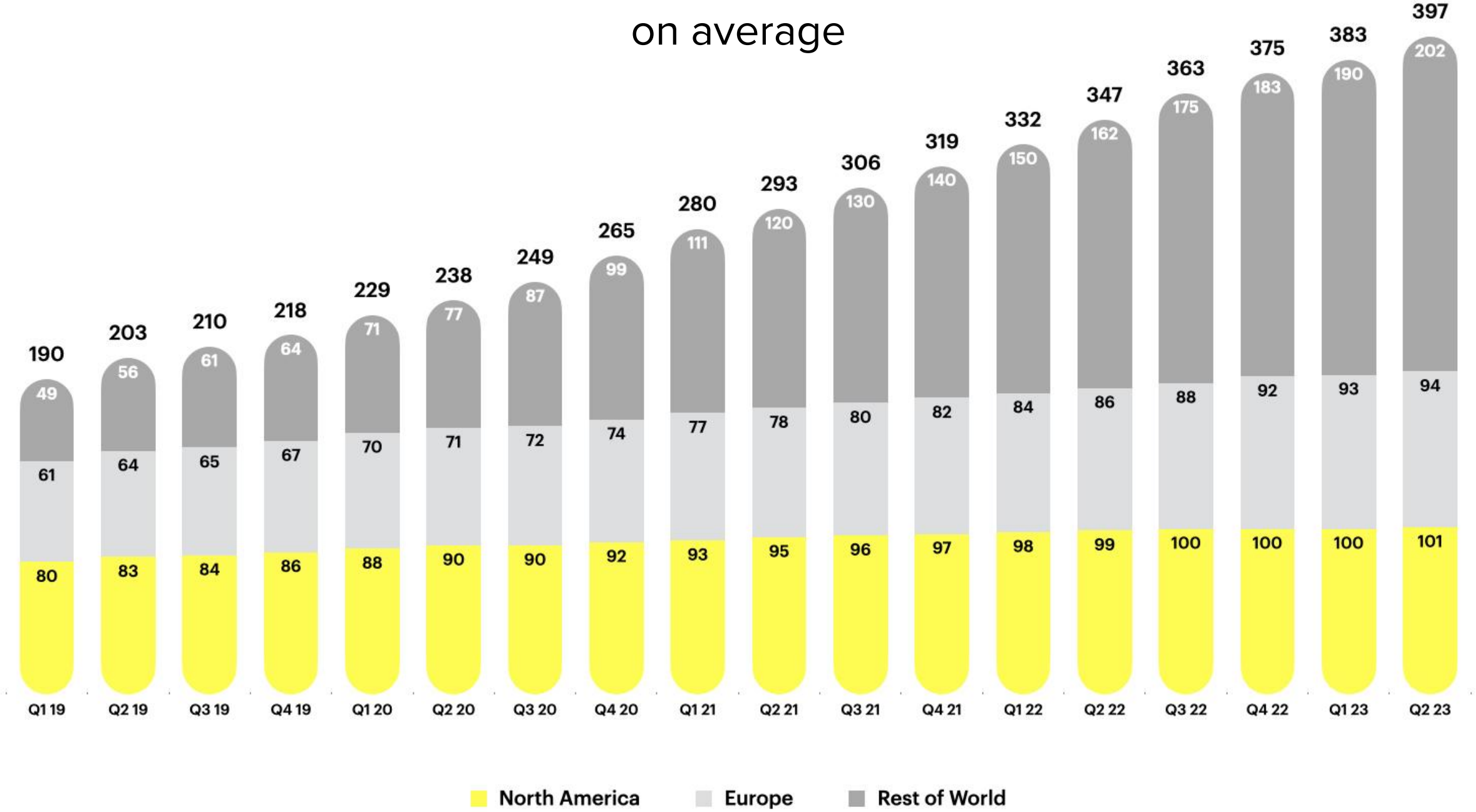
Snapchat reaches 90% of the 13- to 24-year-old population and 75% of the 13- to 34-year-old population in over 20 countries.²

¹Snap Inc. internal data Q2 2023.

²Snap Inc. internal data Q2 2023. Penetration calculated as monthly active users (MAU) divided by 2021 population estimates per the 2022 United Nations World Population Prospects.

Strong Growth in Our Community

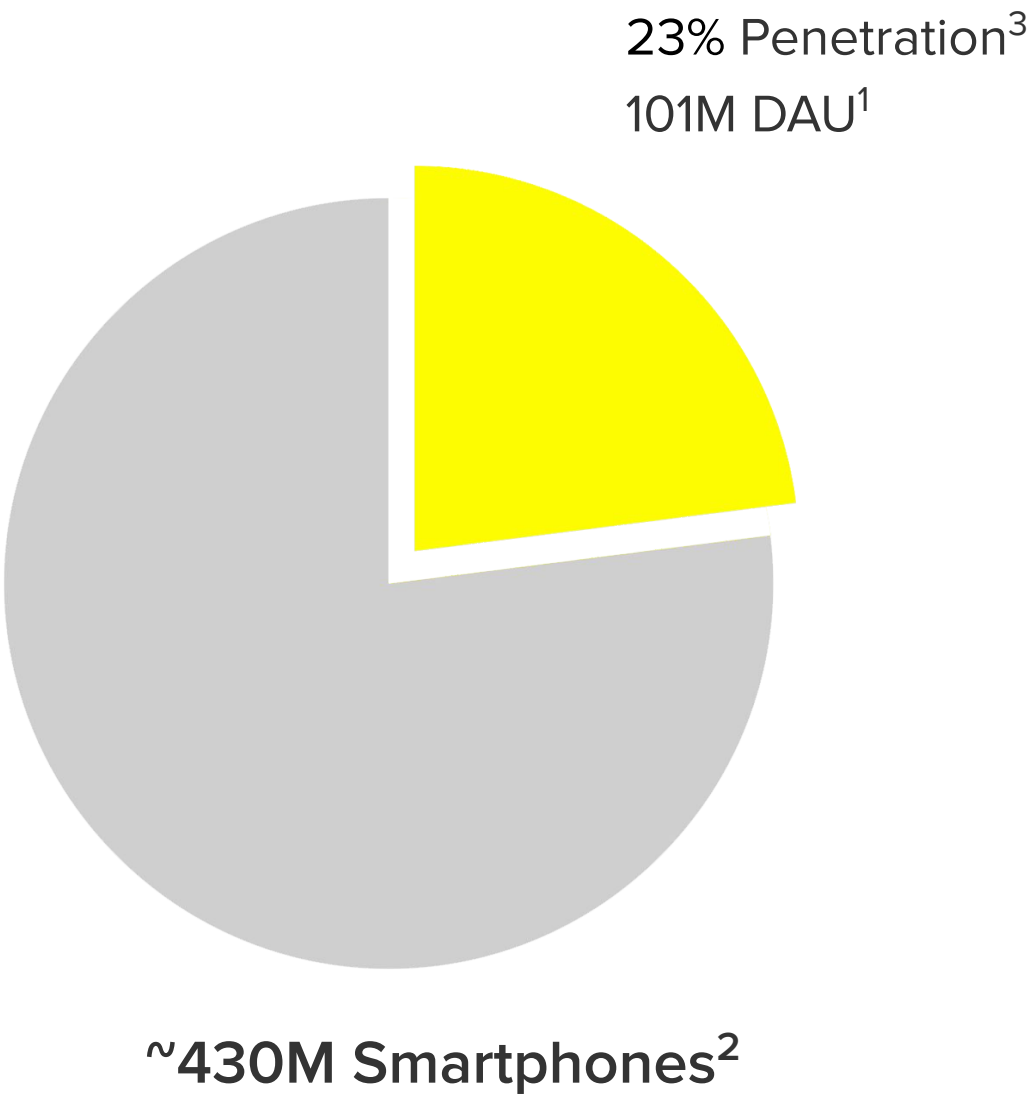
397M Daily Active Users
on average



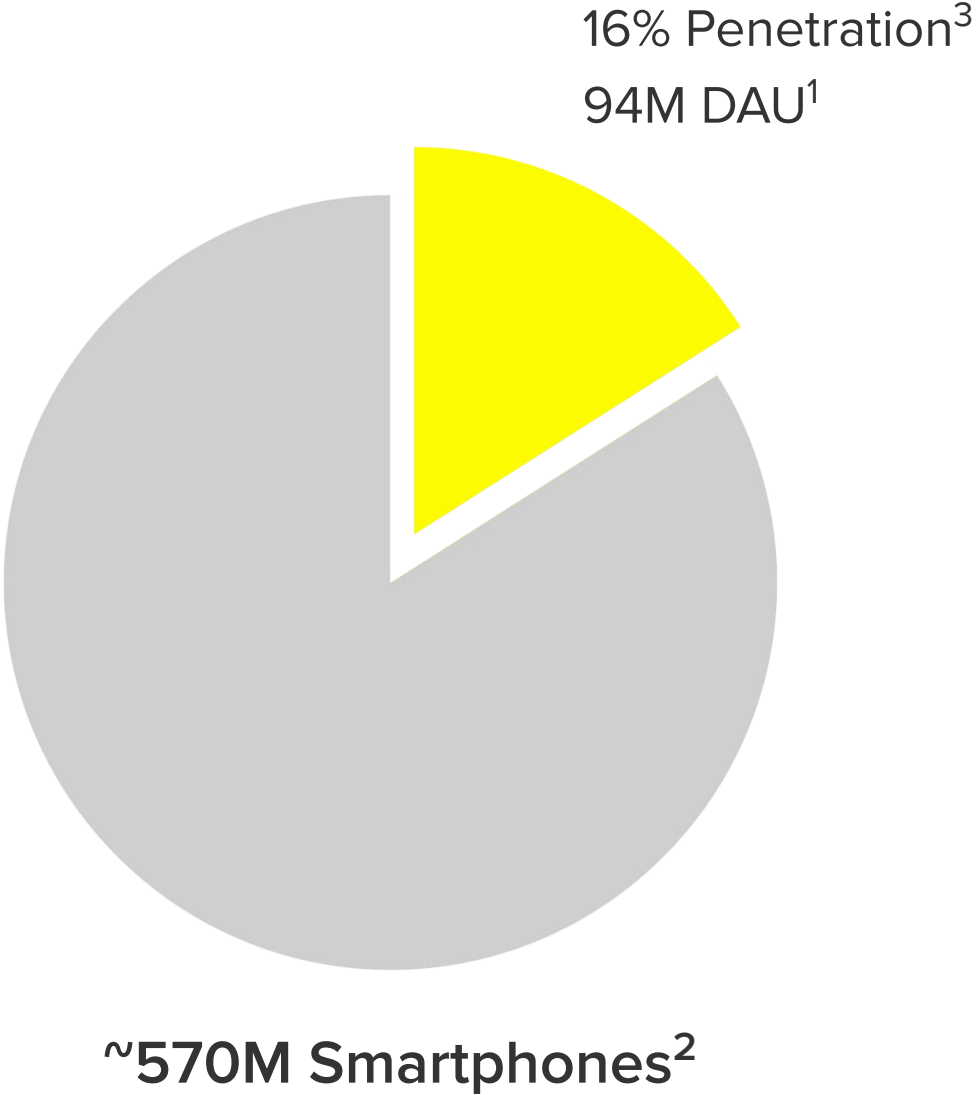
Snap Inc. internal data Q1 2019–Q2 2023. See Snap Inc. public filings with the SEC.

Significant Opportunity to Globally Expand Our Community

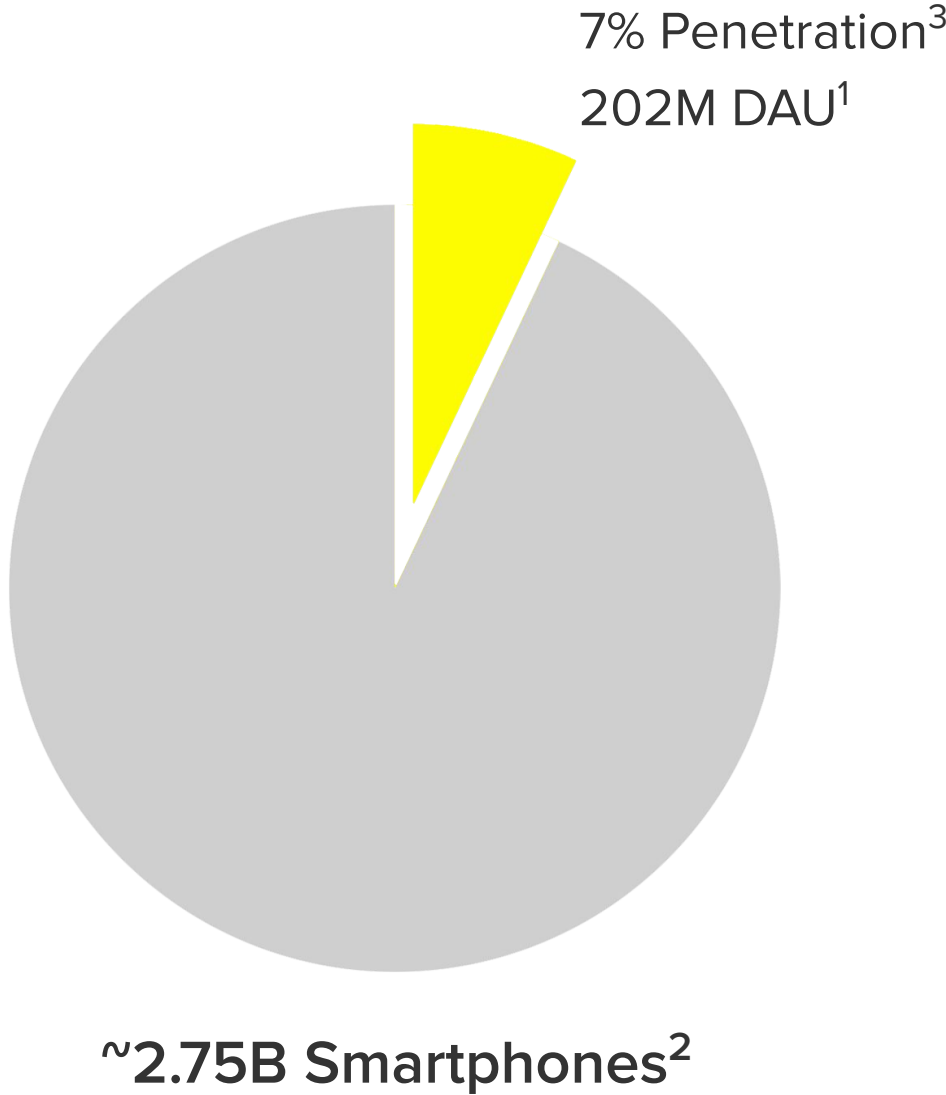
North America



Europe



Rest of World



¹Snap Inc. internal data Q2 2023. See Snap Inc. public filings with the SEC.
²eMarketer 2023 smartphone estimates, Mar. 2023.
³Percentage calculated by dividing Snap Inc. Q2 2023 daily active users (DAUs) by total smartphone estimate.

International Growth Playbook

LOCAL LANGUAGE

40+
languages
currently
supported.¹

LOCAL LENSES

3M+
Lenses launched.²

300K+
active Lens
Creators globally.²

LOCAL CONTENT

600+
international
publisher partners in

20+
countries
internationally
since inception.³

LOCAL MARKETING

Generate
awareness through
local marketing
initiatives.

LOCAL PARTNERSHIPS

Preloaded partnerships
with major handset
OEMs provide
placement and promotion.



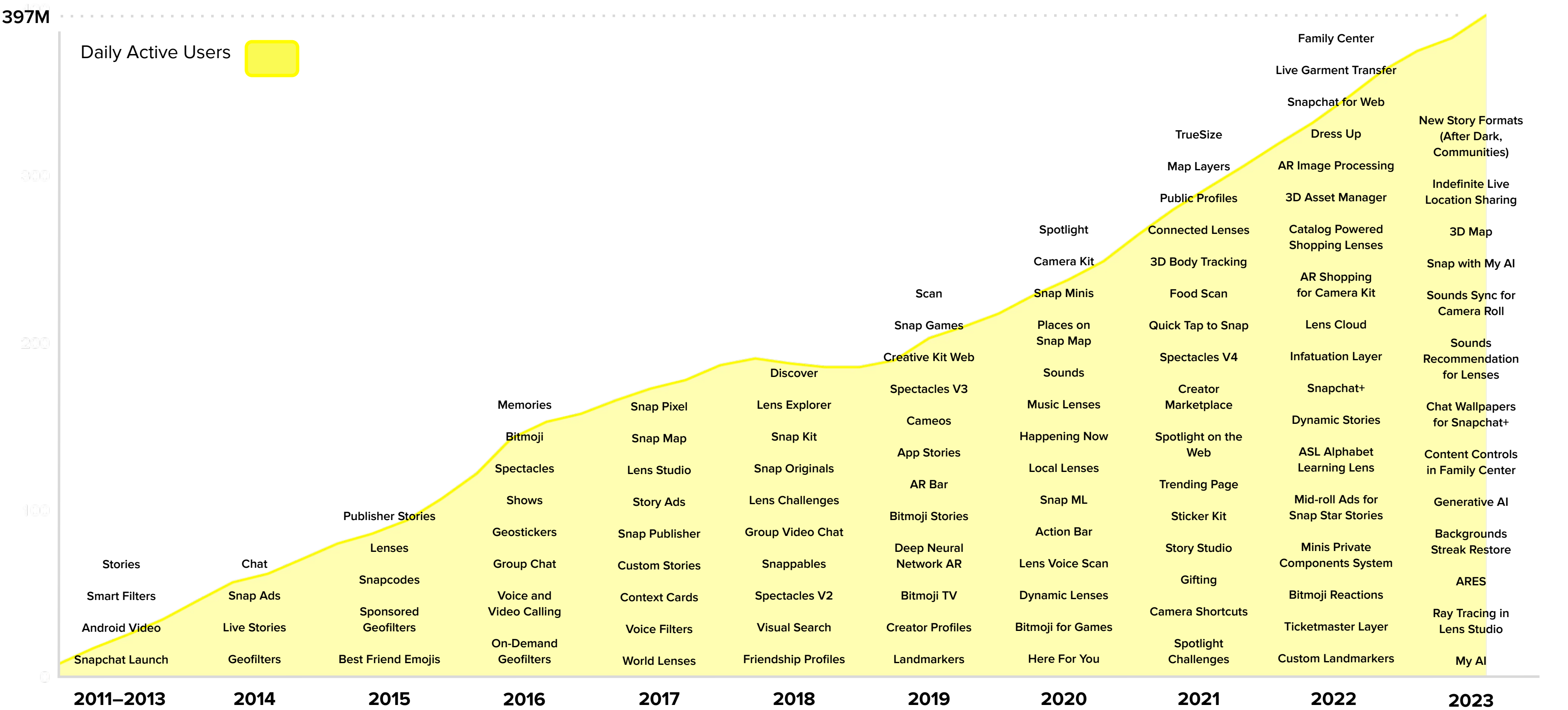
Partnerships with
local telcos ensure
attractive data rating
and promotion.



¹ Snap Inc. internal data as of Q2 2023.
² Snap Inc. internal data as of Dec. 31, 2022.
³ Snap Inc. internal data Jan. 2015–Jul. 2023.

Snapchat

Demonstrated Track Record of Innovation

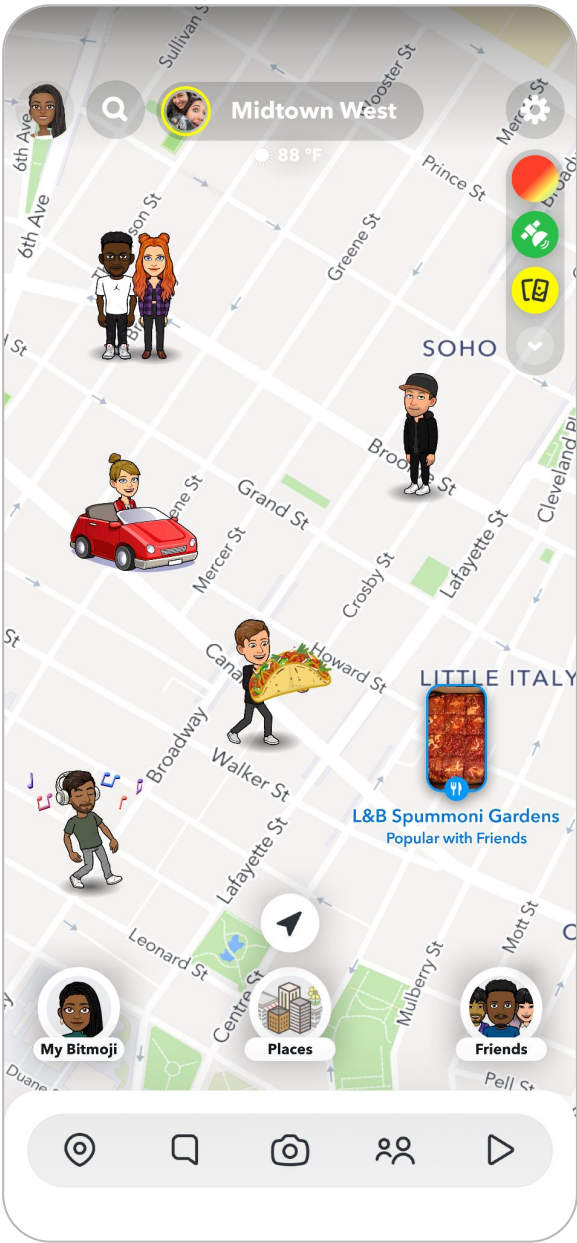


Snap Inc. internal data Q2 2023. See Snap Inc. public filings with the SEC.

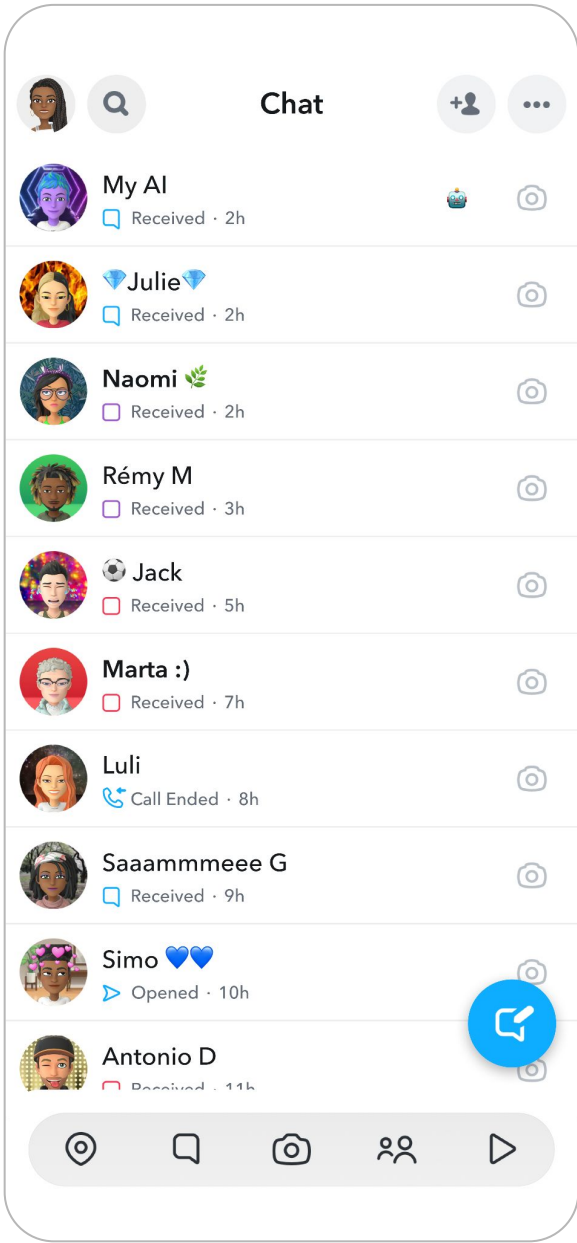
The Snapchat Experience

Five Core Platforms

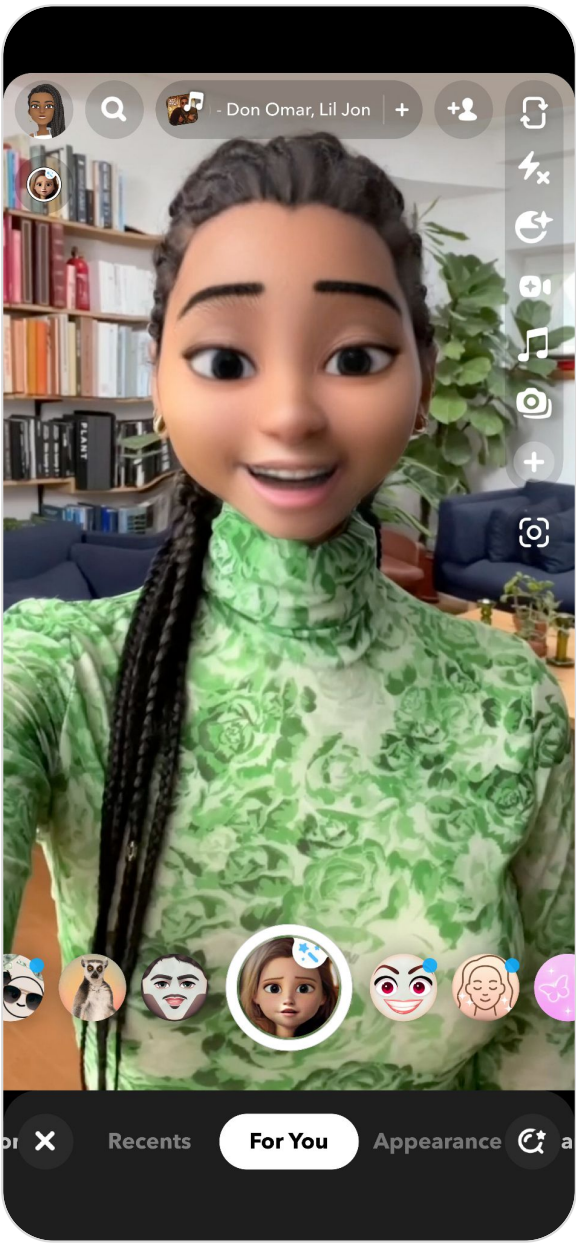
MAP



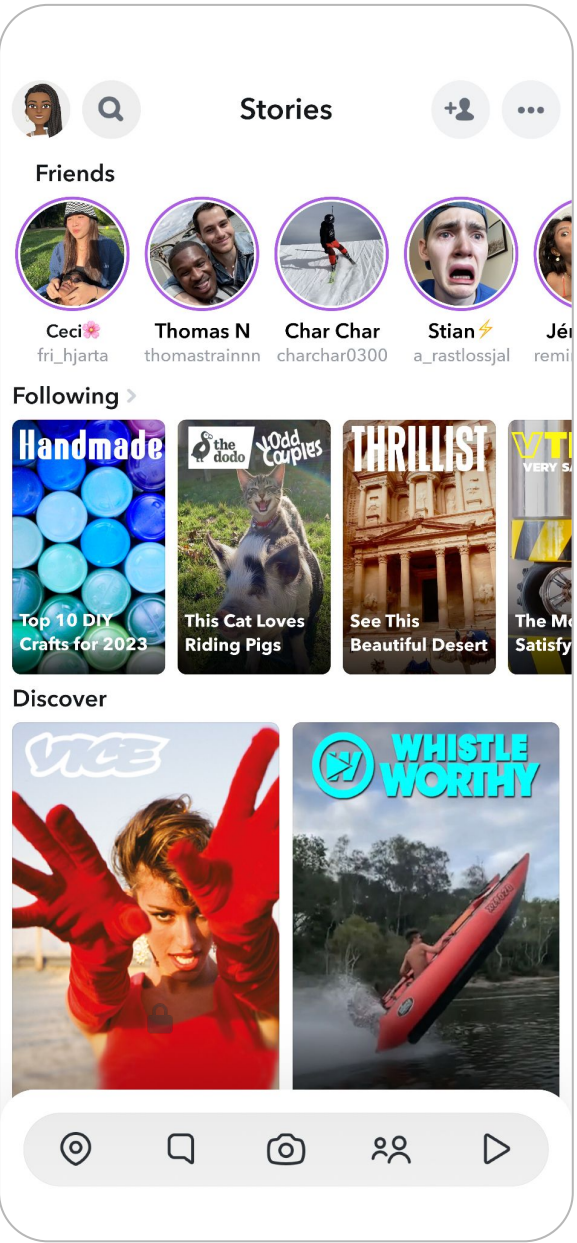
CHAT



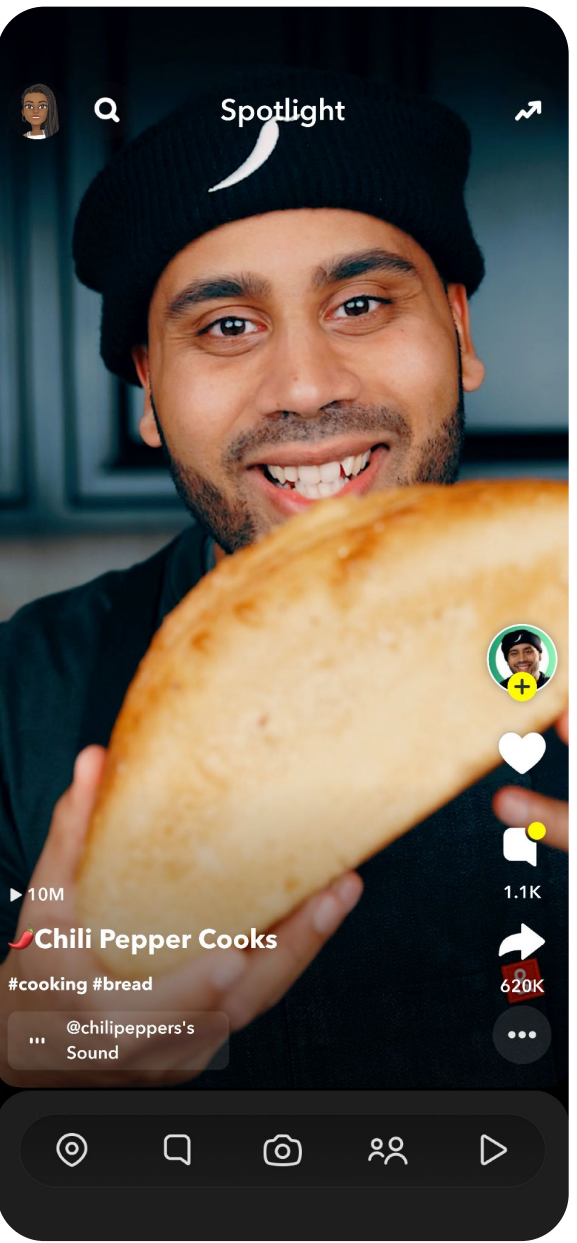
CAMERA



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

250M+
Snapchatters engage with AR per day, on average.¹

Over 70%
of people who download Snapchat engage with AR during their first day in the app.¹



GESTURE RECOGNITION



SCENE UNDERSTANDING



¹Snap Inc. internal data as of Q2 2023.

Visual Messaging

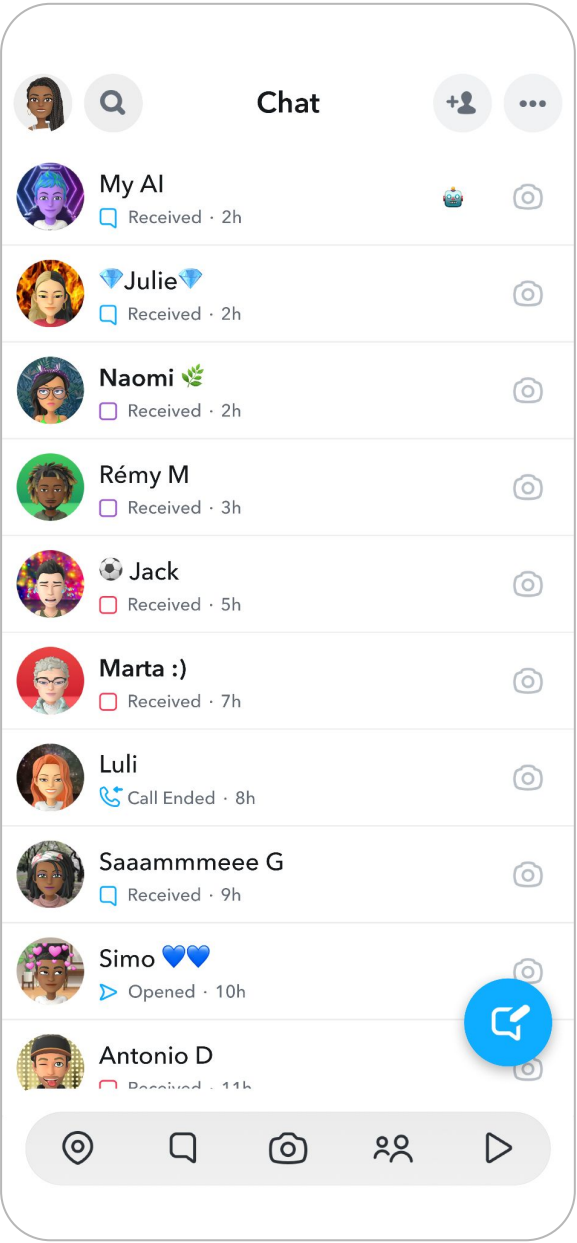
Visual Messaging is a fast, fun way to communicate with friends and family using augmented reality, video, voice, messaging, and creative tools.

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

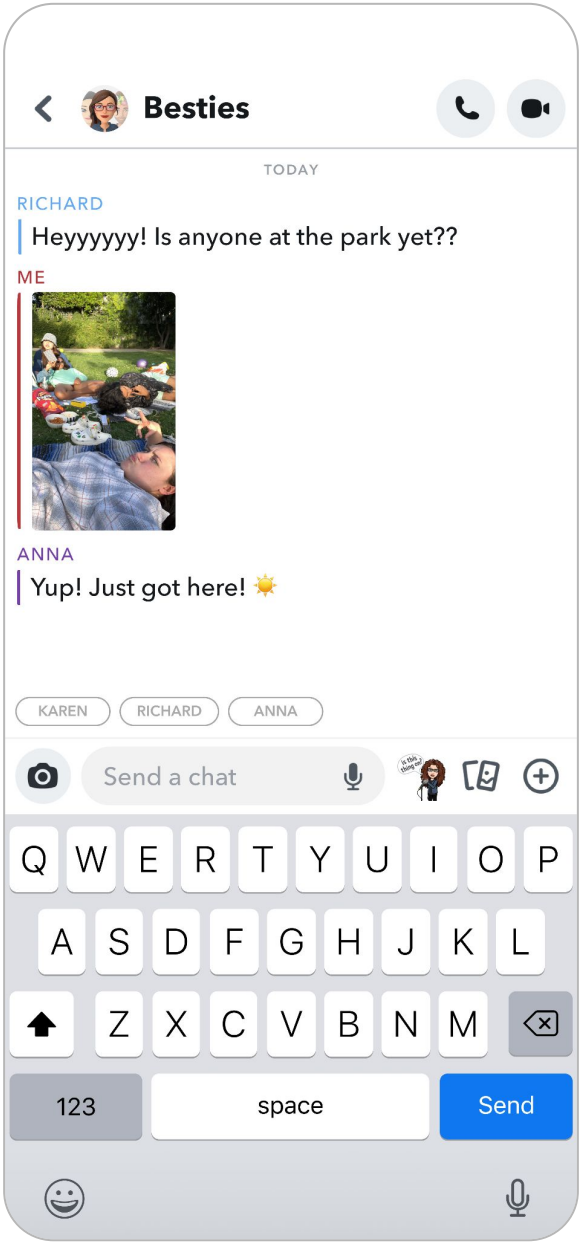
Snapchatters can express themselves through Bitmojis or pictures with the tap of button.

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

CHAT FEED



GROUP CHAT



VIDEO CHATTING




Stories

Stories enable our community to create and share pictures and videos from their day with their friends on Snapchat, as well as discover and watch entertaining content from creators and media partners.


900+
publisher partners in

20+ countries
around the world since inception.¹


FRIEND STORIES



CREATOR STORIES



PARTNERED CONTENT



¹Snap Inc. internal data Jan. 2015–Jul. 2023.

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.

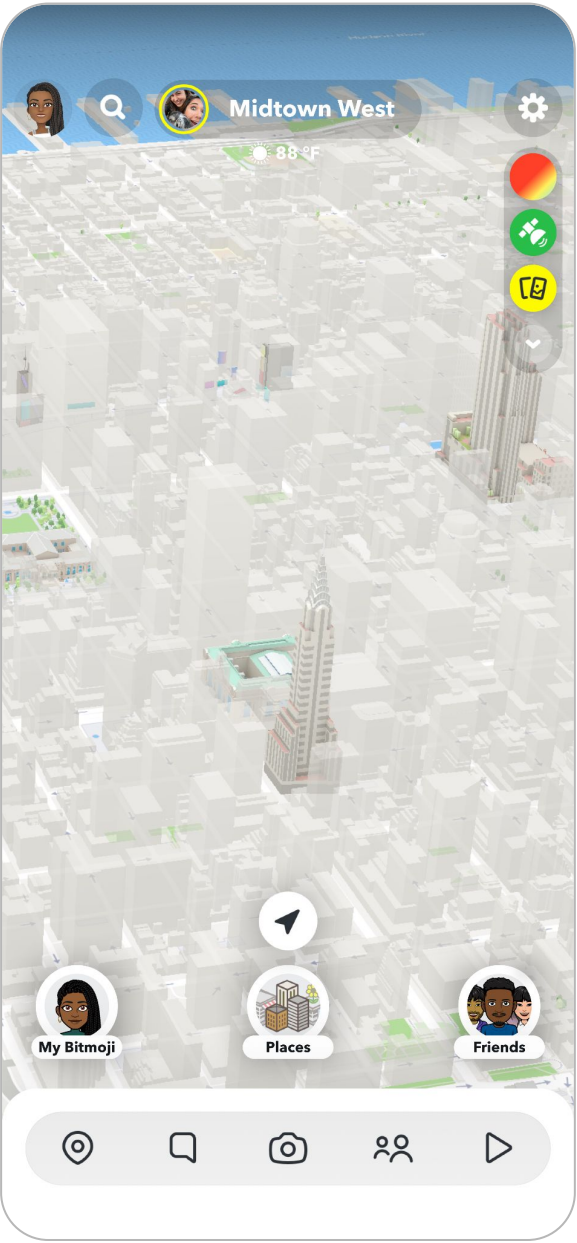
350M+

Snapchatters engage with the Snap Map every month.¹

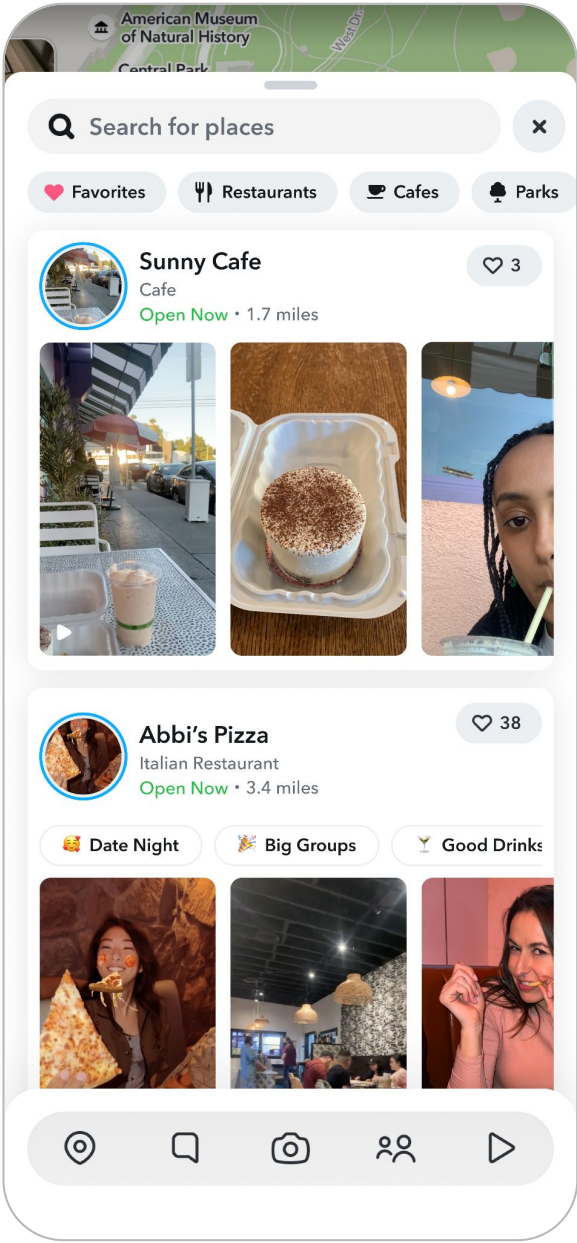
Over 50%

increase in Place Story views compared to Q2 2022.²

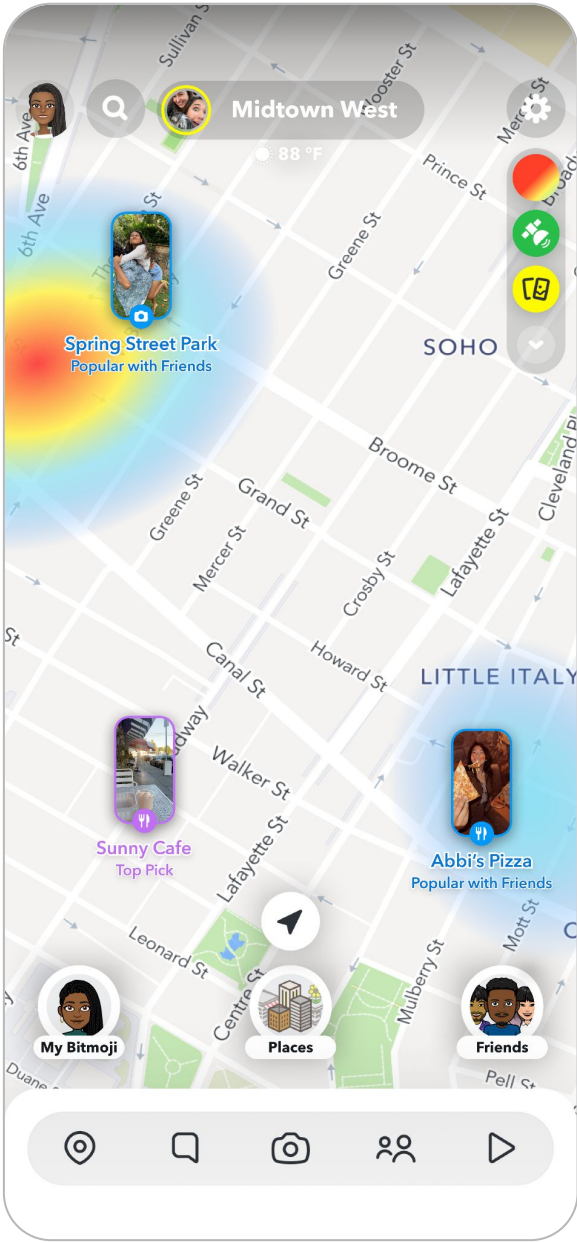
MAP



PLACES



MAP STORIES



¹ Snap Inc. internal data Q2 2023. 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.

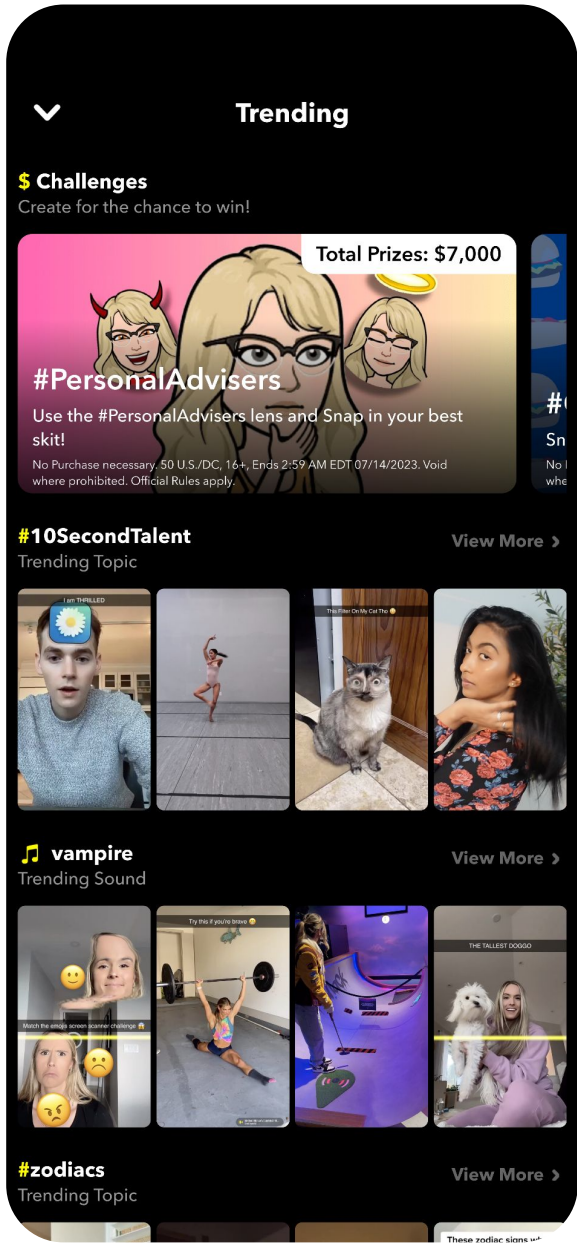
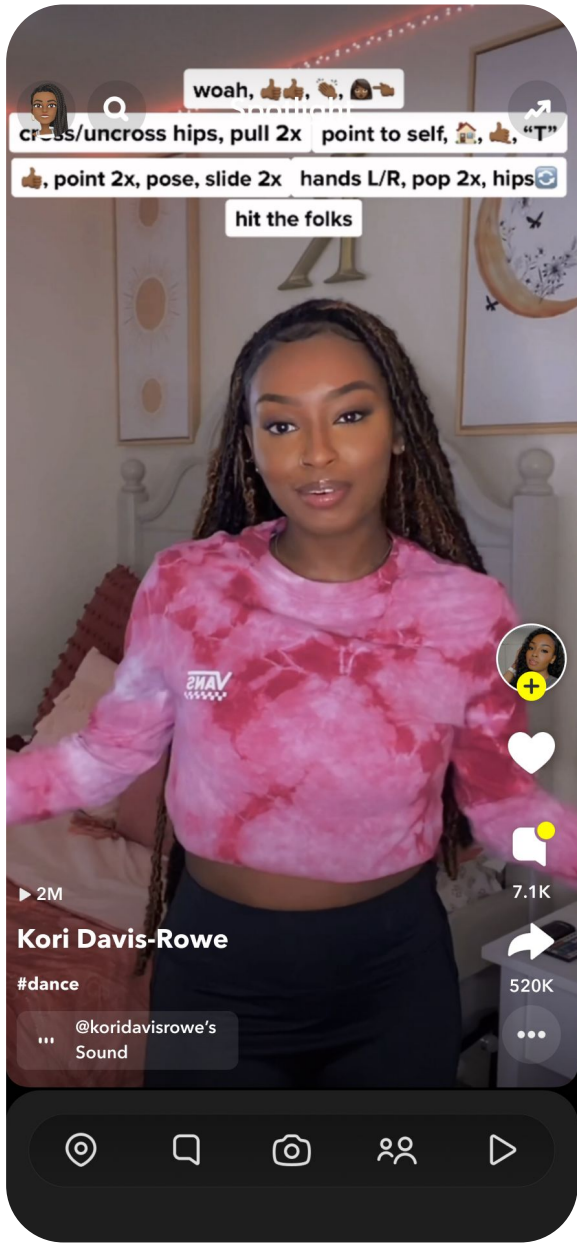
² Snap Inc. internal data Q2 2023 vs. Q2 2022.

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.

Over 200% increase
in total time spent watching
Spotlight content compared
to Q2 2022.¹

Over 400M
Snapchatters engage with
Spotlight every month.²

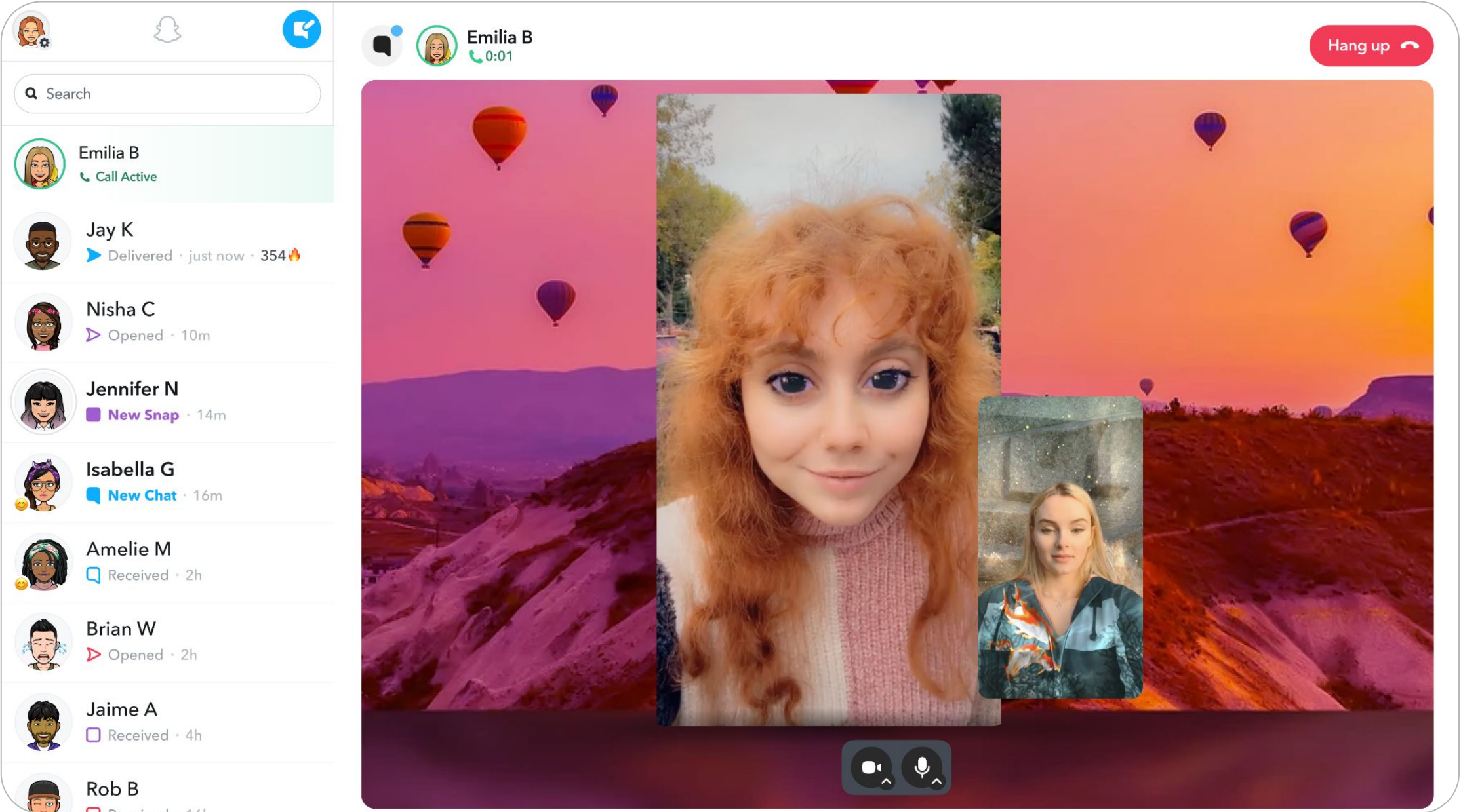


¹ Snap Inc. internal data Q2 2023 vs. Q2 2022.
² Snap Inc. internal data Q2 2023.

Snapchat for Web

With Snapchat for Web, users can chat, Snap, and call their friends from their desktop.

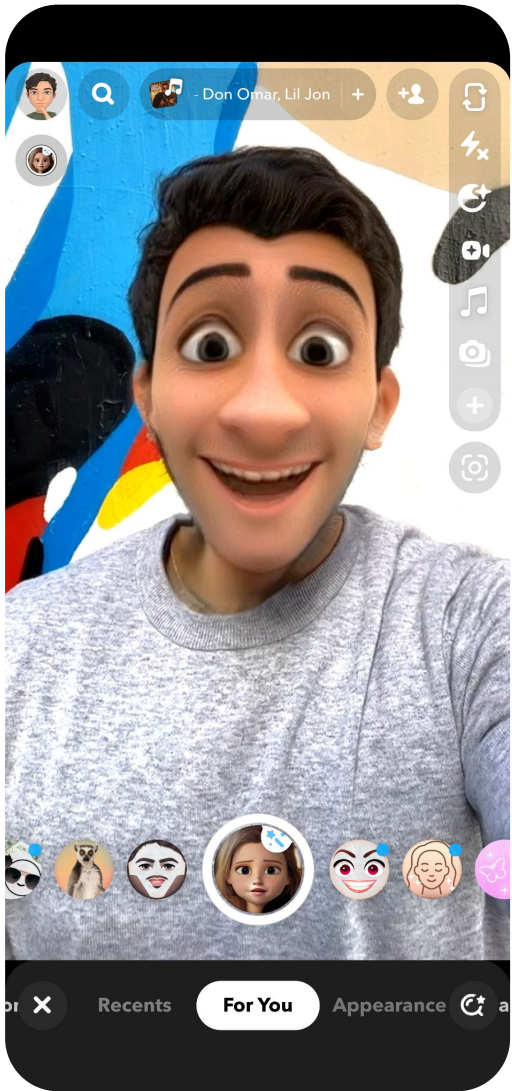
Snapchat for Web also includes access to our core messaging features, including chat reactions and different Lenses for video calls, with more features to come!



Partner Ecosystem

Overview of Our Partner Ecosystem

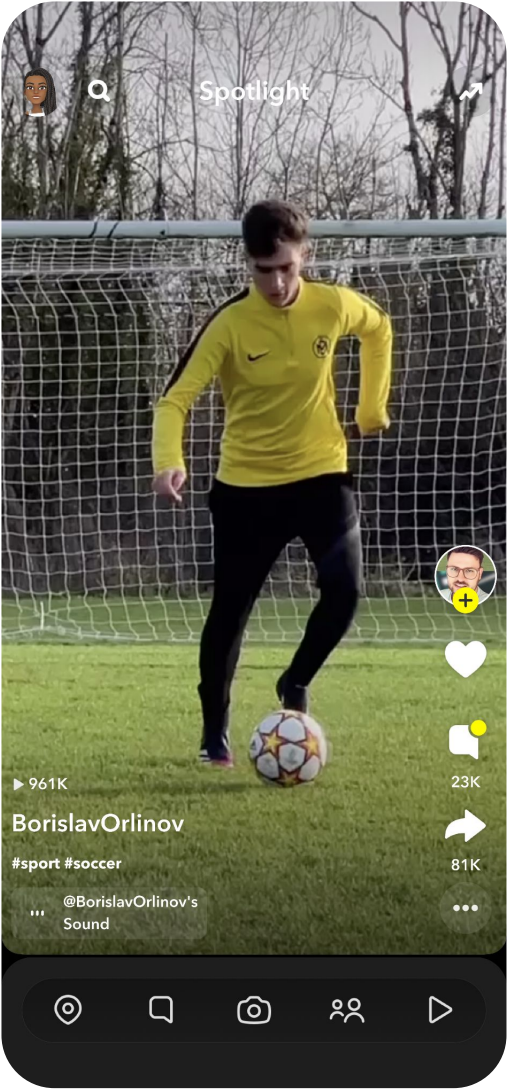
Creators



CAMERA/AR

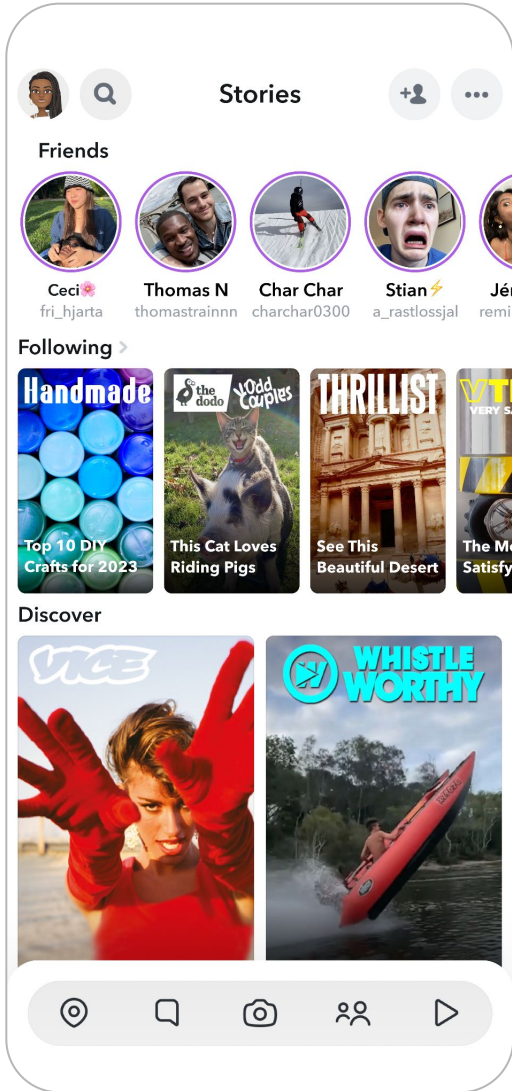


STORIES



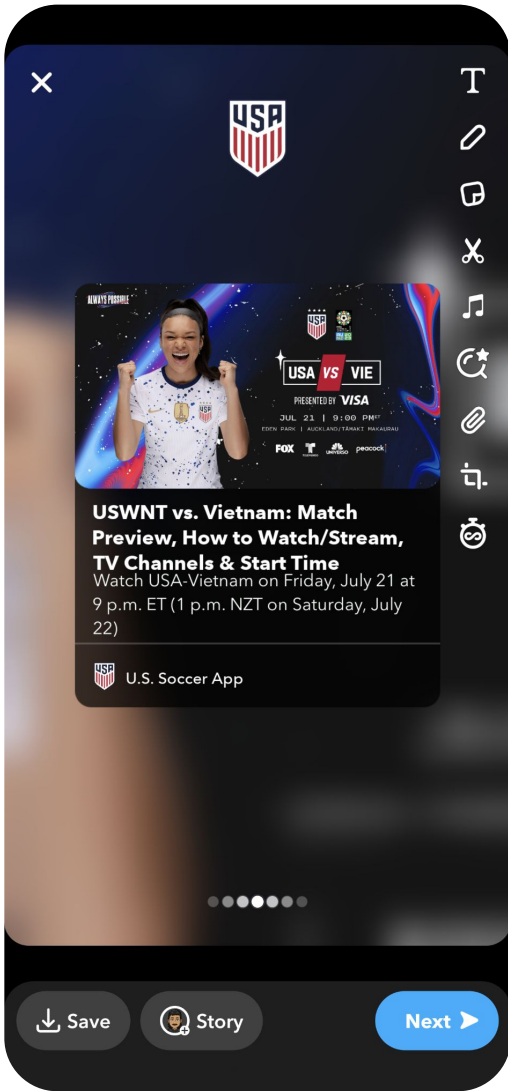
SPOTLIGHT

Media Partners



STORIES

Developers



SNAP KIT

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.

300K+
active Lens Creators.¹

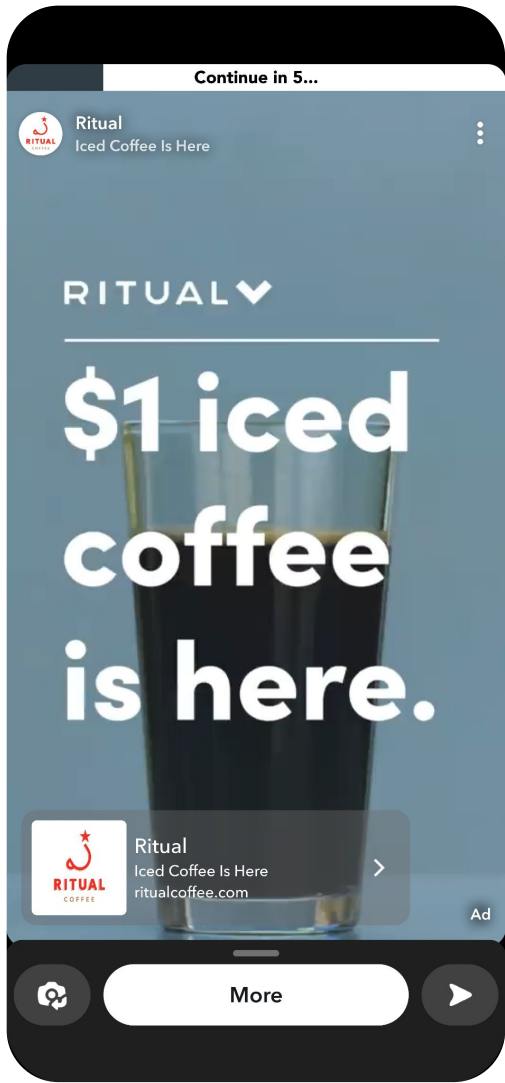
3M+
Lenses made by
our community.¹



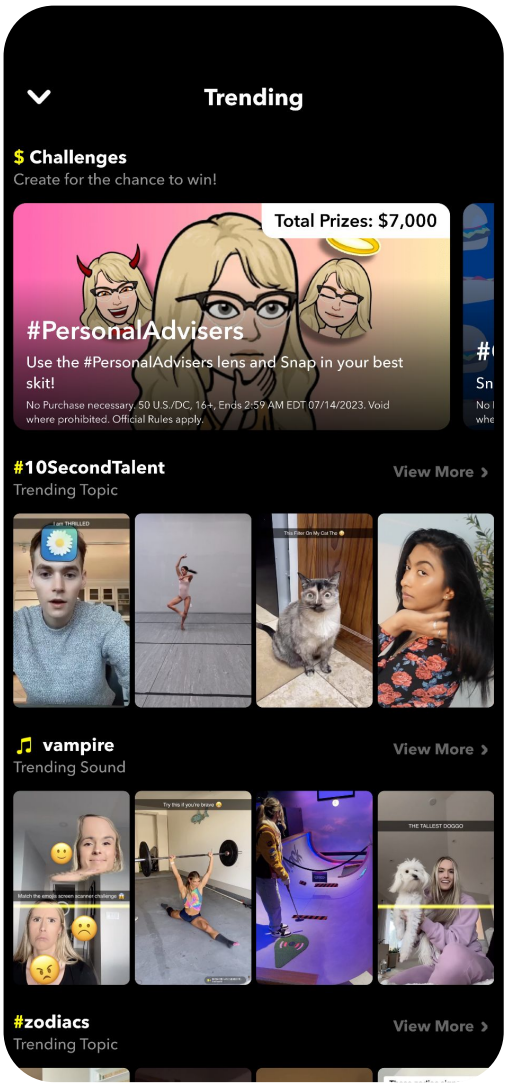
¹ Snap Inc. internal data as of Dec. 31, 2022.

Creator Monetization Opportunities

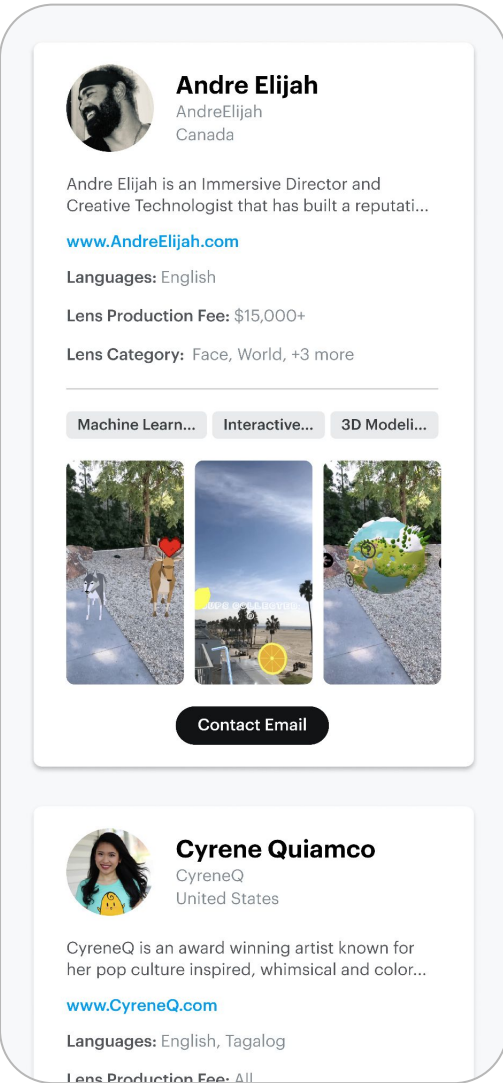
Through our content offerings and powerful creative tools, creators can develop content, reach millions of Snapchatters, grow their audience, and connect with fans, all in accordance with our privacy standards.



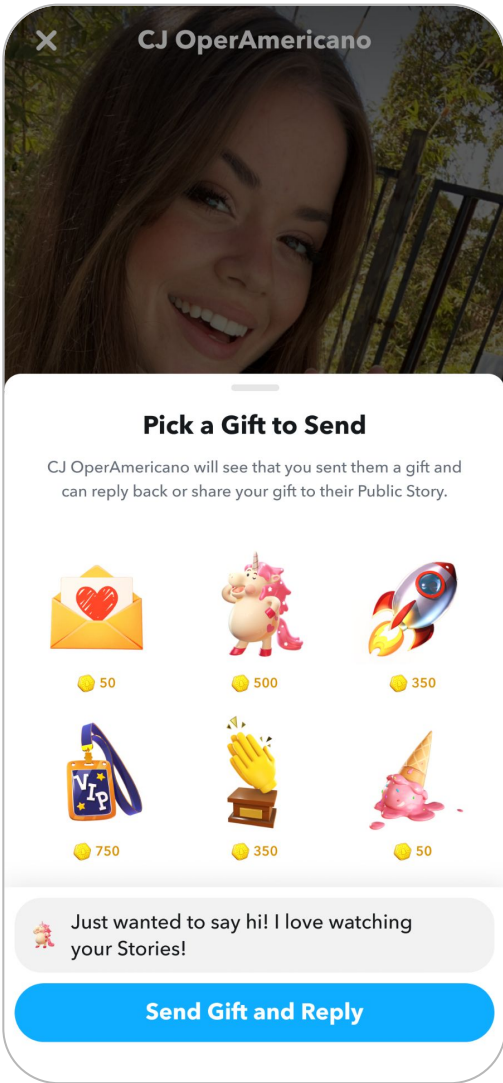
STORIES REVENUE
SHARE PROGRAM



SPOTLIGHT CREATOR
FUND & CHALLENGES



CREATOR
MARKETPLACE



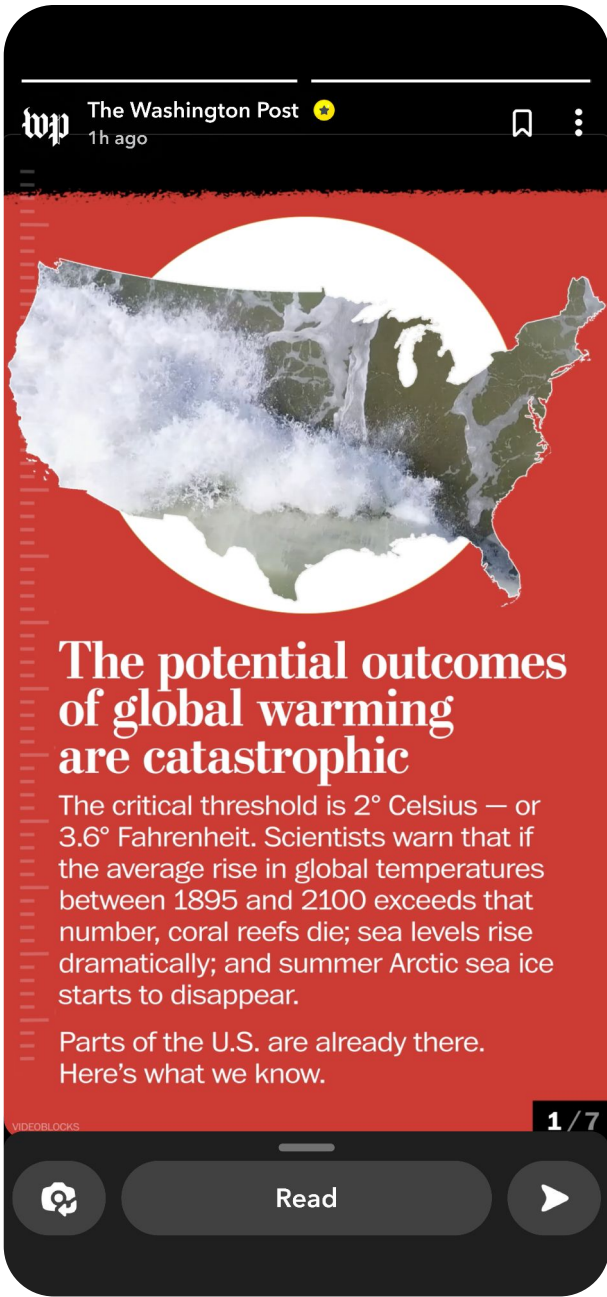
GIFTING



SNAP STAR
COLLAB STUDIO

Media Partners

900 hand-selected media partners from over 20 countries around the world since inception.¹



NEWS

70M+

Snapchatters watched News publisher and show content each month, on average.²



SPORTS

75M+

Snapchatters watched Sports publisher and show content each month, on average.²



COMEDY

50M+

Snapchatters watched Comedy publisher and show content each month, on average.²

¹ Snap Inc. internal data Jan. 2015–Jul. 2023.

² Snap Inc. internal data Q2 2023.

Advertising Business



Meet the Snapchat Community

150%

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

#1

Staying connected with friends and family is the #1 global reason for using Snapchat.²

34%

Snapchatters are 34% more likely to purchase products advertised on Snapchat.³

¹ 2021 Global Cassandra Study commissioned by Snap Inc. | Base: Total N=27,006 respondents. Snapchat Generation refers to Snapchatters aged 13 and older. 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.

² Source: 2021 Global Cassandra Study commissioned by Snap Inc. | Q: For which of the following reasons, if any, do you use each of the following social, communication, and/or camera apps? Please select all that apply. - Snapchat | Base: Total N=27,006 respondents

³ 2022 Neuro-Insight A&U survey, commissioned by Snap, Inc., n=435.

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

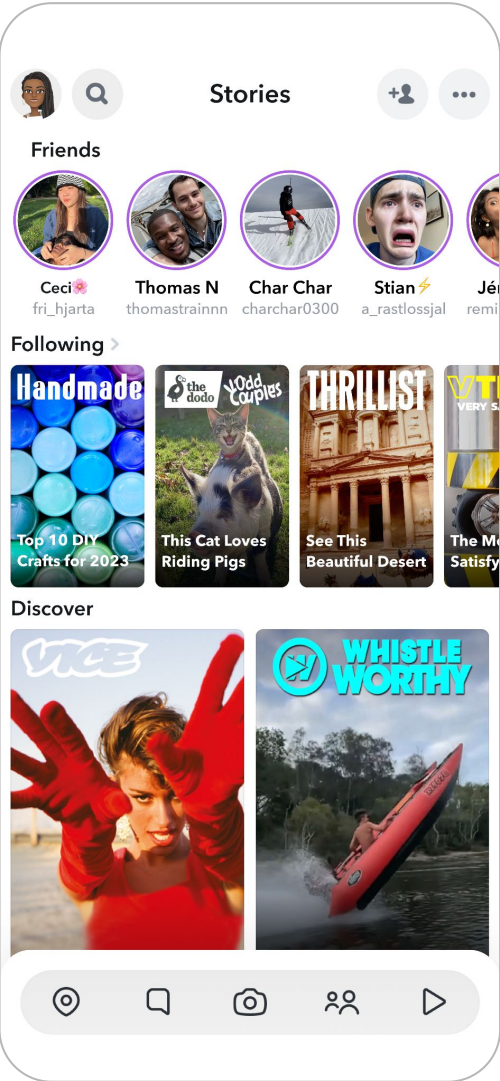


AR LENS EXPERIENCES

Video



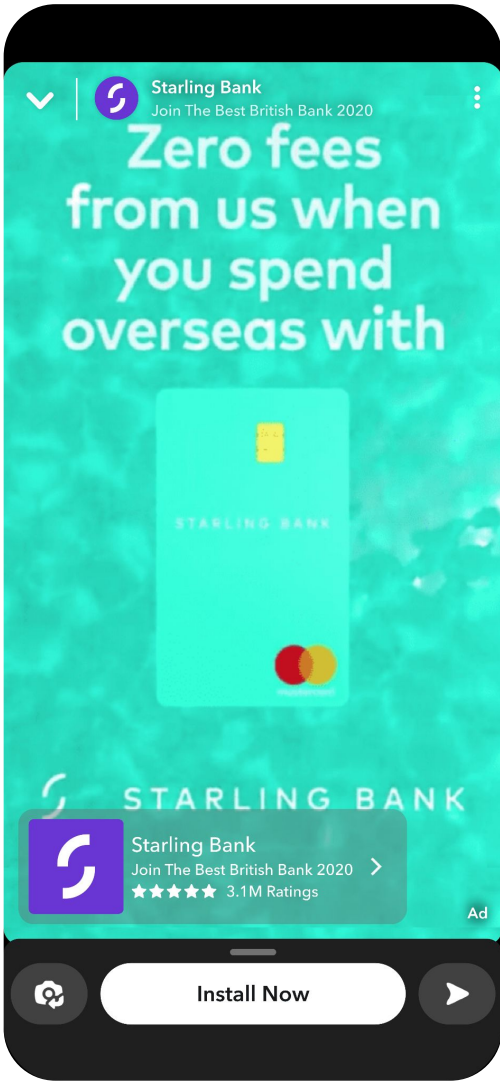
COMMERCIALS
(:06 forced view)



STORY ADS
(series of 3 to 20 Snaps)



COLLECTION ADS



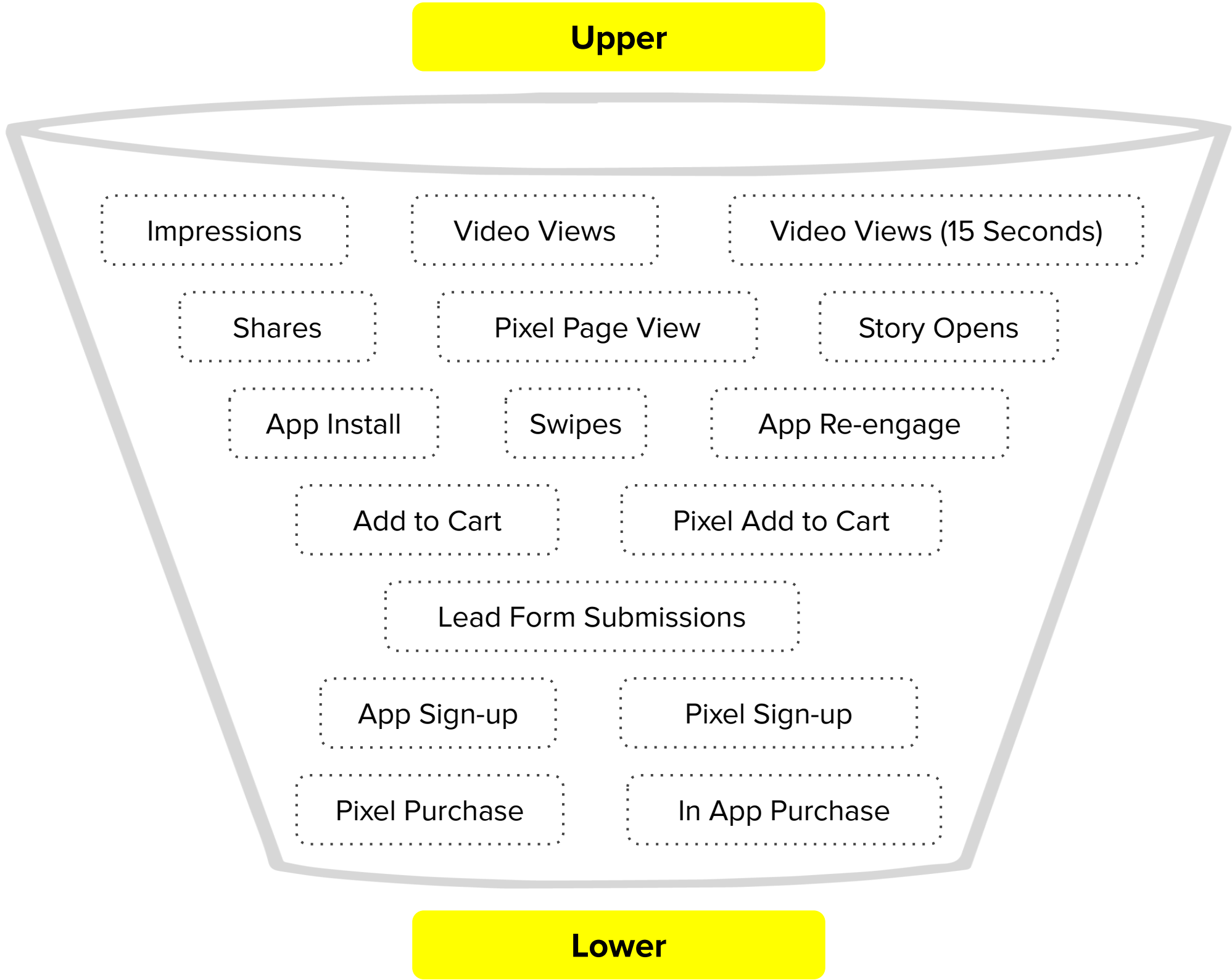
SNAP AD WITH APP INSTALL



DYNAMIC PRODUCT ADS

Goal-Based Bidding Objectives

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



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.

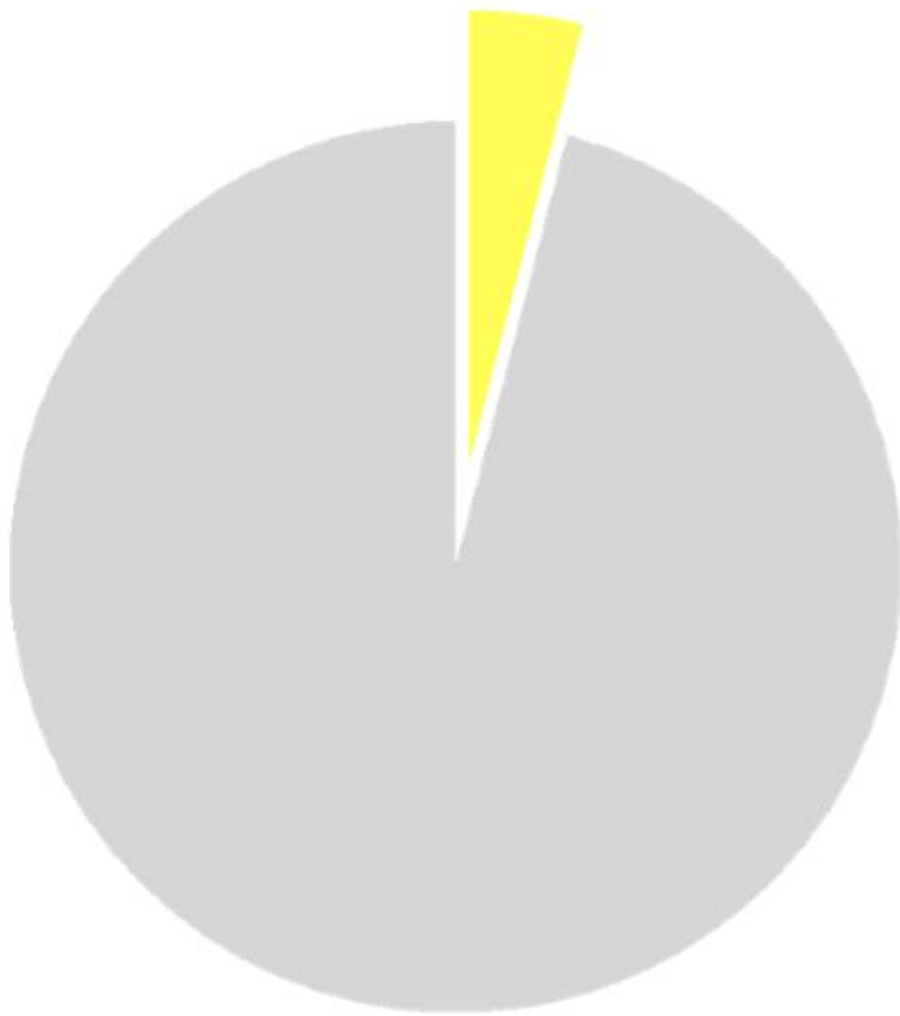
¹Snap Inc. includes the US, Canada, Mexico, the Caribbean, and Central America. Facebook includes the US and Canada only.

²Snap Inc. internal data Q1 2023, as compared to publicly reported Facebook data Q1 2023. 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. Facebook defines DAUs based on user activity only on Facebook and Messenger and not on the Company’s other products.

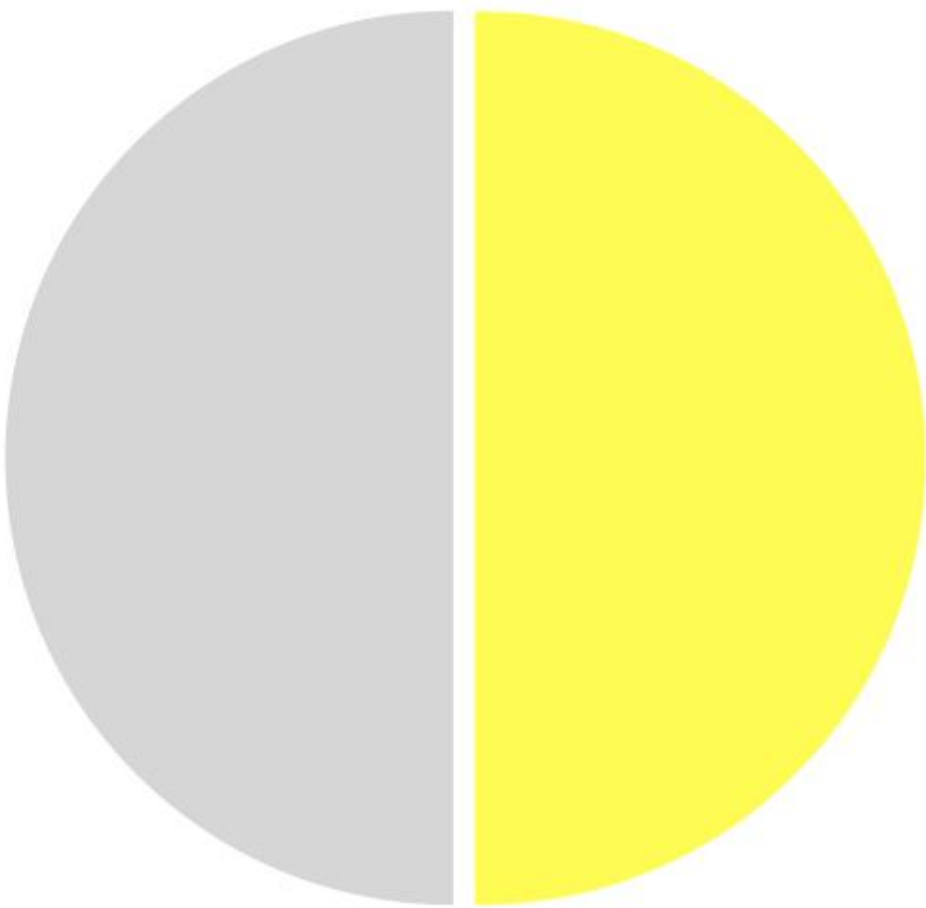
³Snap Inc. internal data Q2 2022–Q1 2023 as compared to publicly reported Facebook data for Q2 2022–Q1 2023. We define average revenue per user (ARPU) as quarterly revenue divided by the average DAUs. Facebook’s ARPU is calculated as quarterly revenue divided by the average DAUs. ARPU is presented as 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...¹



...yet ***reaches nearly half*** of US smartphone users.²



¹ Snap Inc. internal data 2022. eMarketer 2022 estimates, Mar. 2023. Percentage calculated by dividing Snap Inc. US revenue by US digital ad market. See Snap Inc. public filings with the SEC.
² Snap Inc. internal data Q4 2022. eMarketer 2022 estimates, Mar. 2023. Percentage calculated by dividing US monthly active users by US smartphone users. See Snap Inc. public filings with the SEC.

Snapchat reaches **more than 75%¹** of 13- to 34-year-olds in countries comprising **over half²** of the world’s digital ad spend.



US



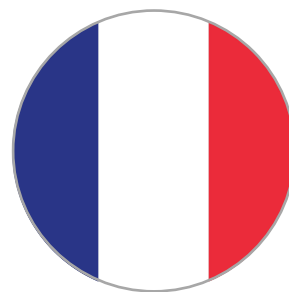
UK



Australia



Canada



France



Netherlands



Sweden



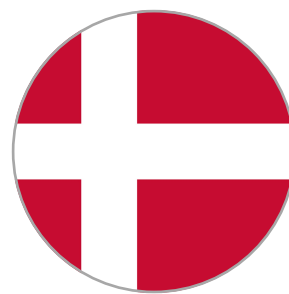
Norway



Saudi Arabia



Ireland



Denmark



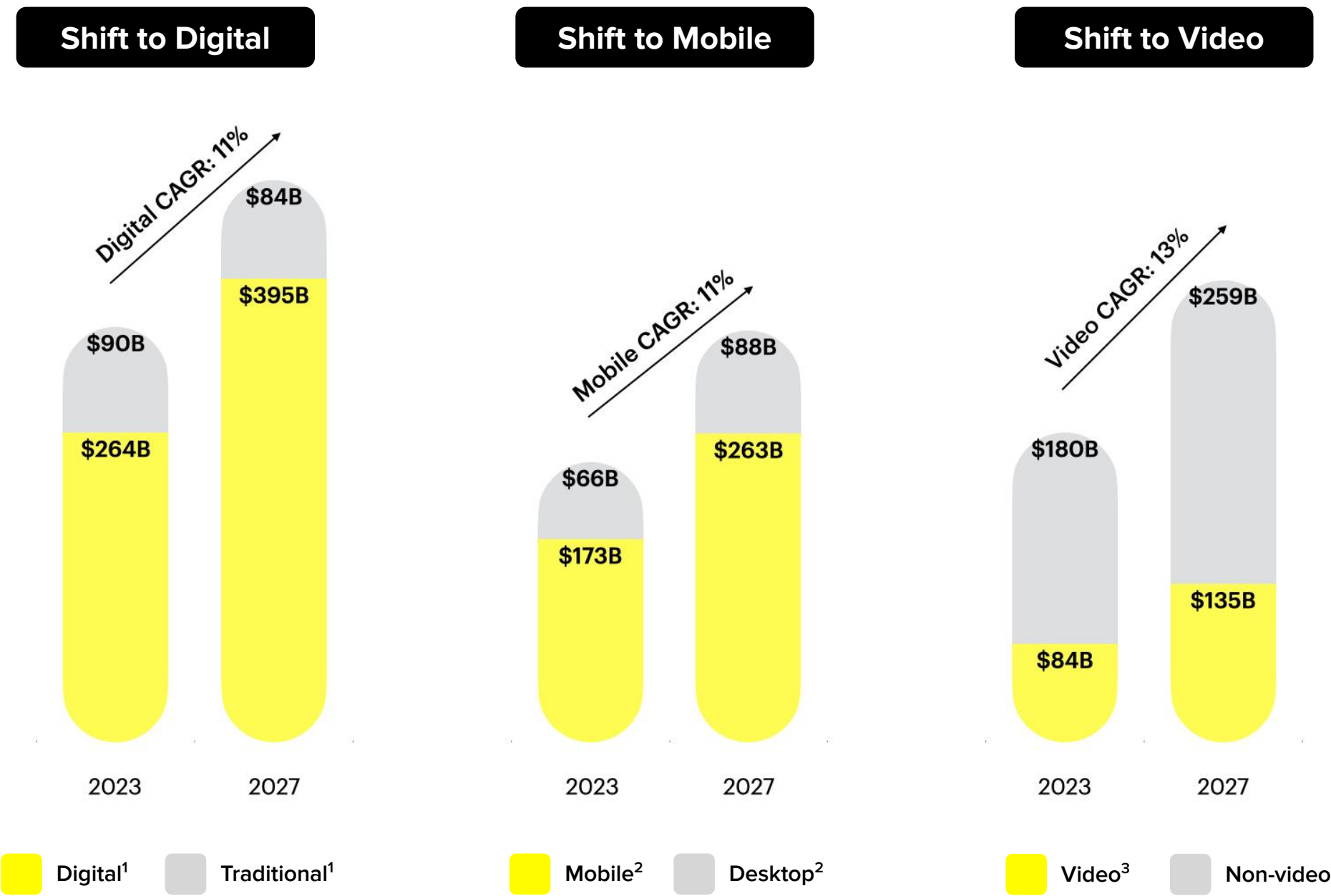
Luxembourg

¹Snap Inc. internal data Q2 2023. Penetration calculated as MAUs divided by 2021 population estimates per the 2022 United Nations World Population Prospects.

²eMarketer 2023 estimates, Mar. 2023.

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. 2023. Estimates shown are for the US advertising market.

¹ 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.

² 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.

³ 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+

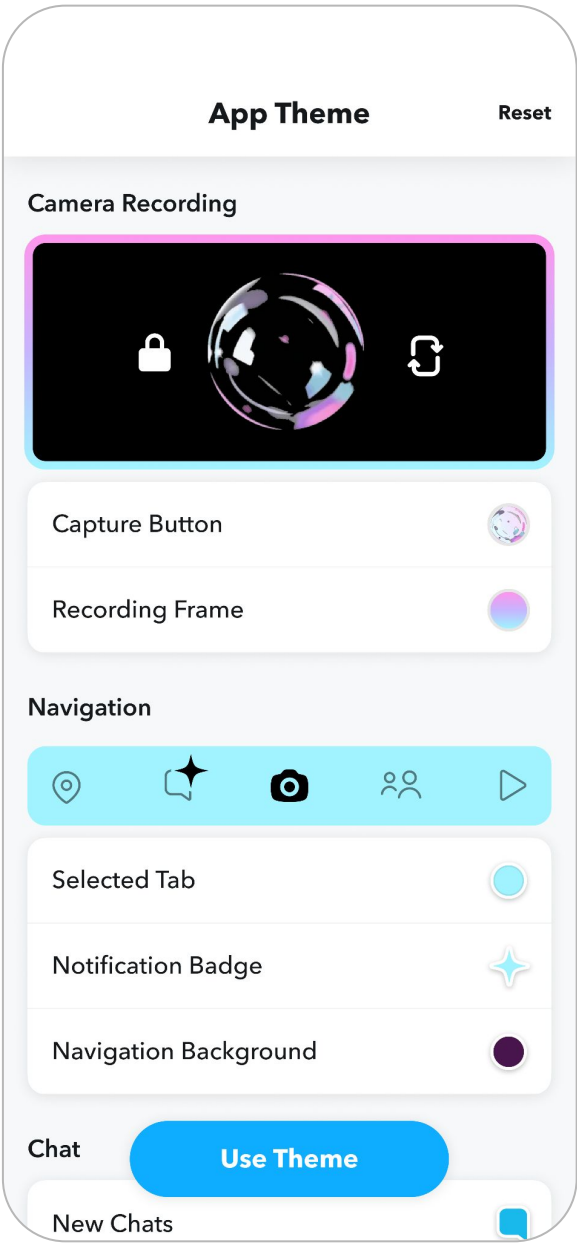
Snapchat+ is a collection of exclusive, experimental, and pre-release features on Snapchat for a subscription fee.

Snapchat+ subscribers can:

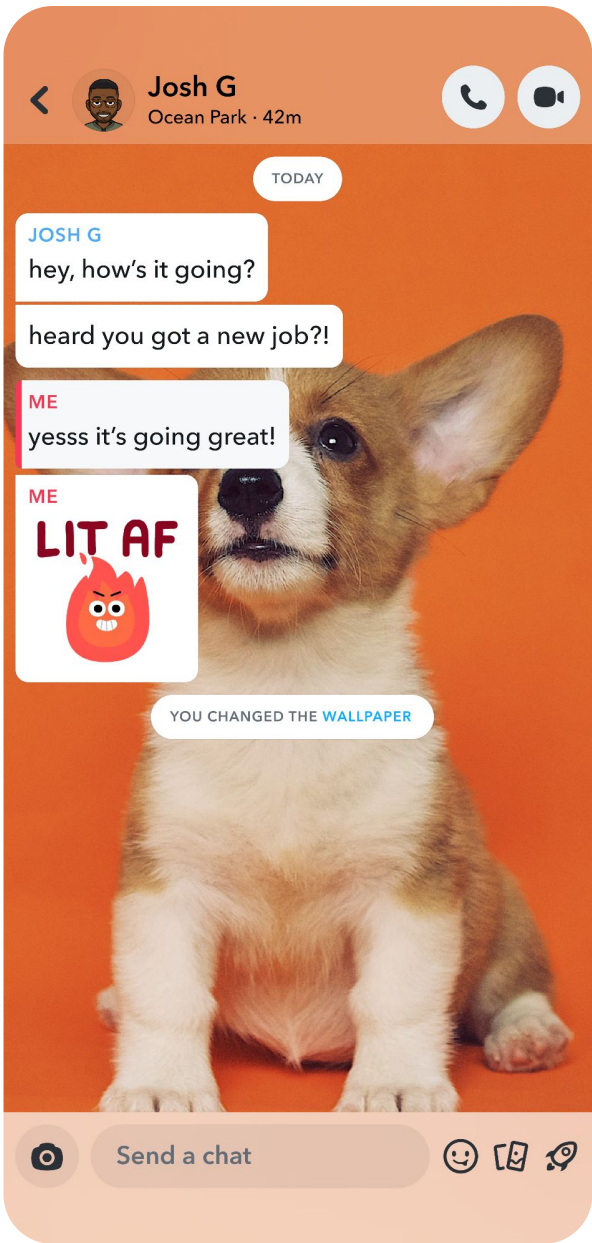
- Get a snap back from My AI
- Customize their app icon
- Customize their chat wallpapers
- Pin their best friend to the top of their Chat screen
- Change their Bitmoji backgrounds
- See how many times their Stories have been rewatched
- And much more!

Over 4M subscribers
as of Q2 2023.¹

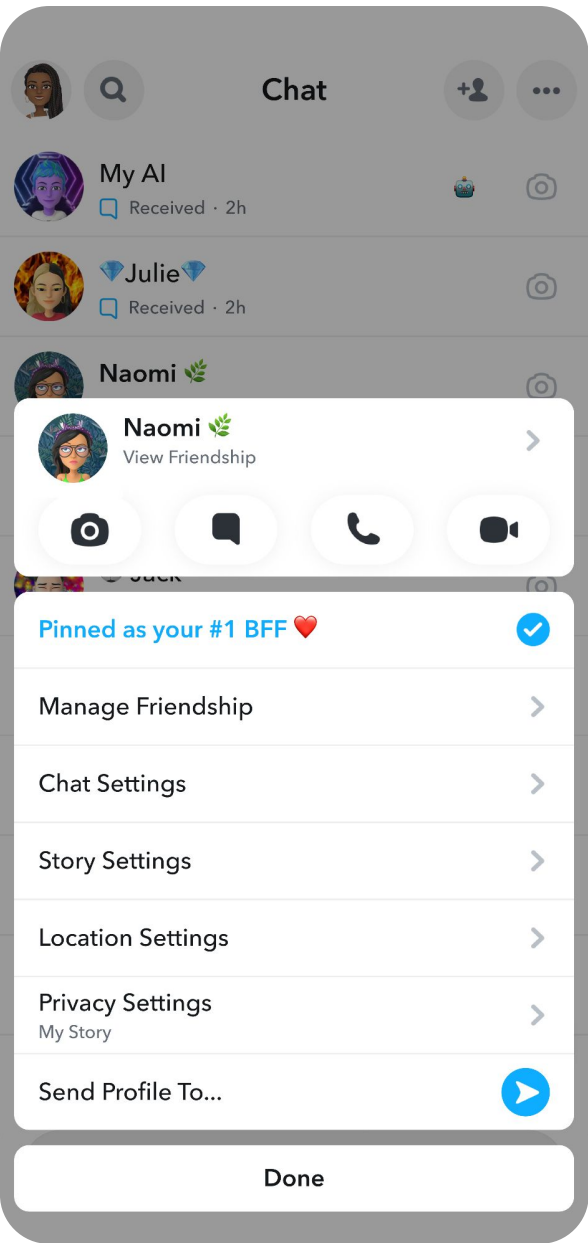
CUSTOM APP THEMES



CHAT WALLPAPERS



PIN BEST FRIEND



¹ Snap Inc. internal data Q2 2023.

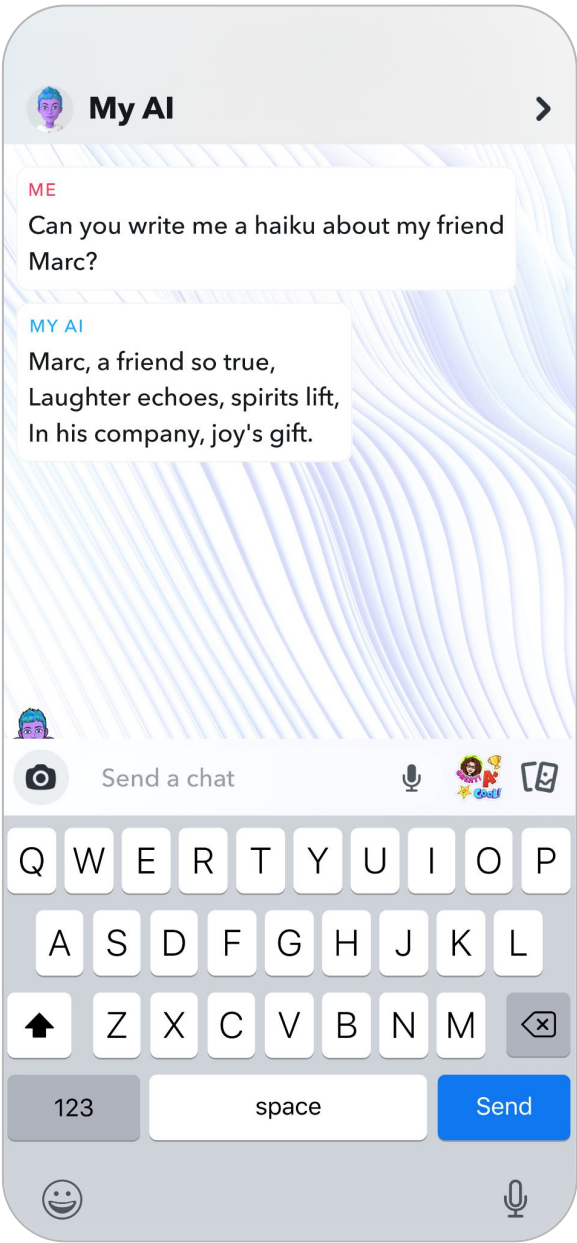
My AI

My AI is our AI-powered chatbot that can help users connect with friends, discover real-world recommendations, and learn more about the world around them. Over 150 million Snapchatters have sent over 10 billion messages to My AI.¹

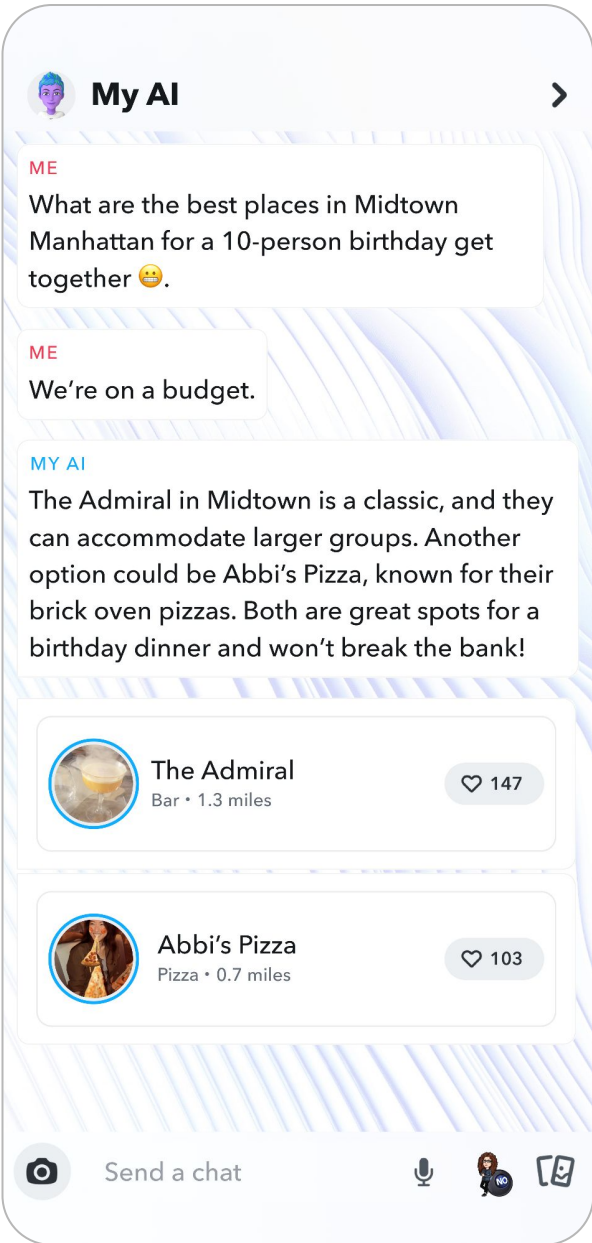
My AI is Snapchat’s AI powered chatbot. It can do things like recommend birthday gift ideas, help plan a trip, suggest a recipe, and more.

Snapchatters can ask My AI questions by sending a simple Snap or a Chat, and My AI is always available in the chat list.

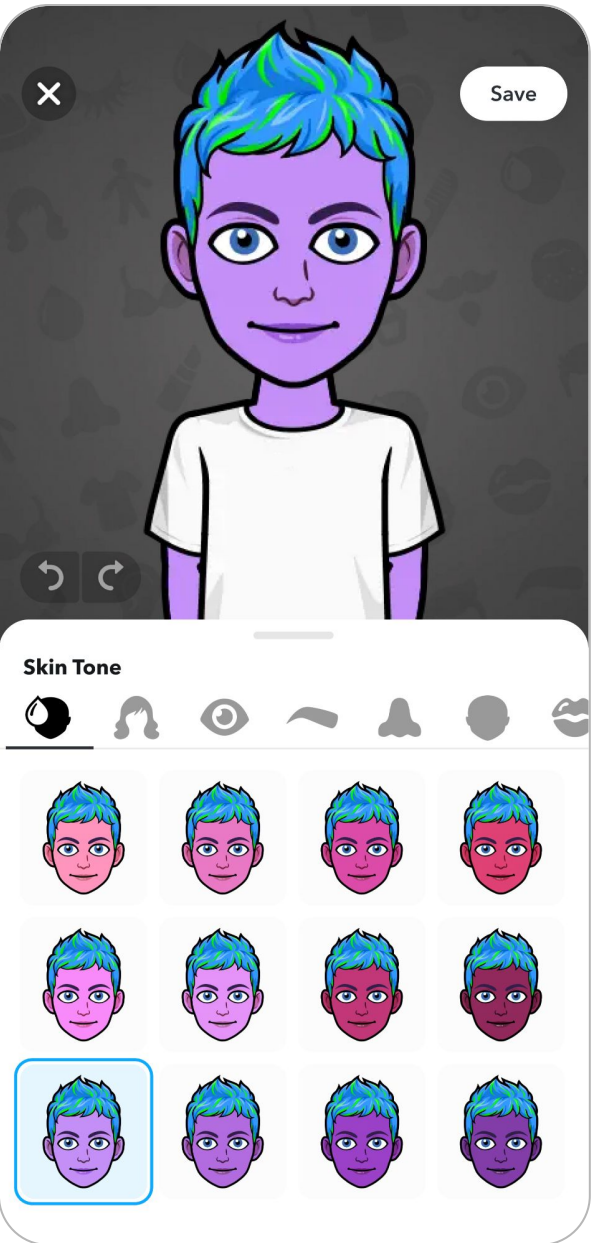
CHAT



SUGGESTED PLACES



PERSONALIZED BITMOJI



¹ Snap Inc. internal data as of Jun. 30, 2023.

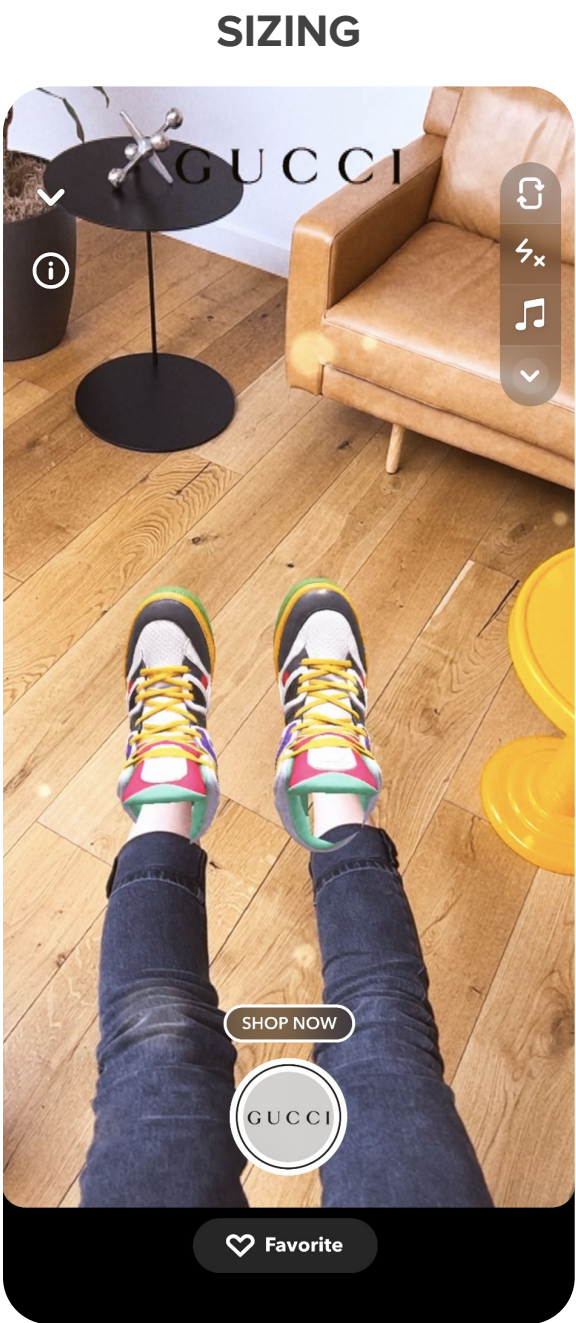
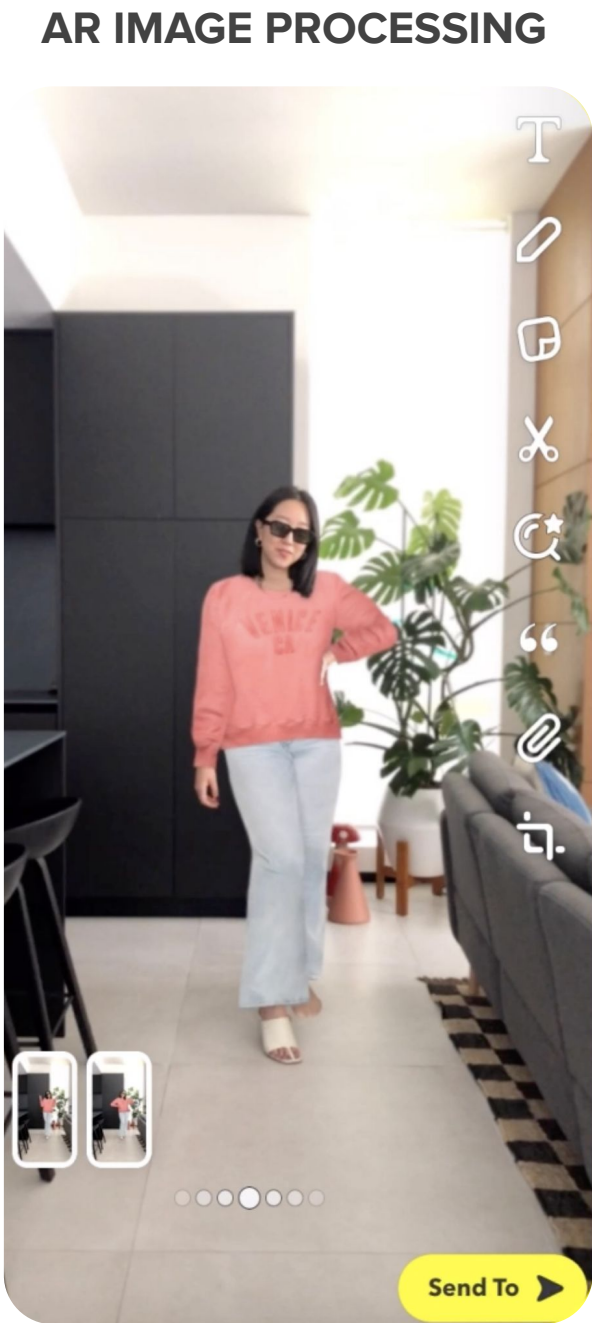
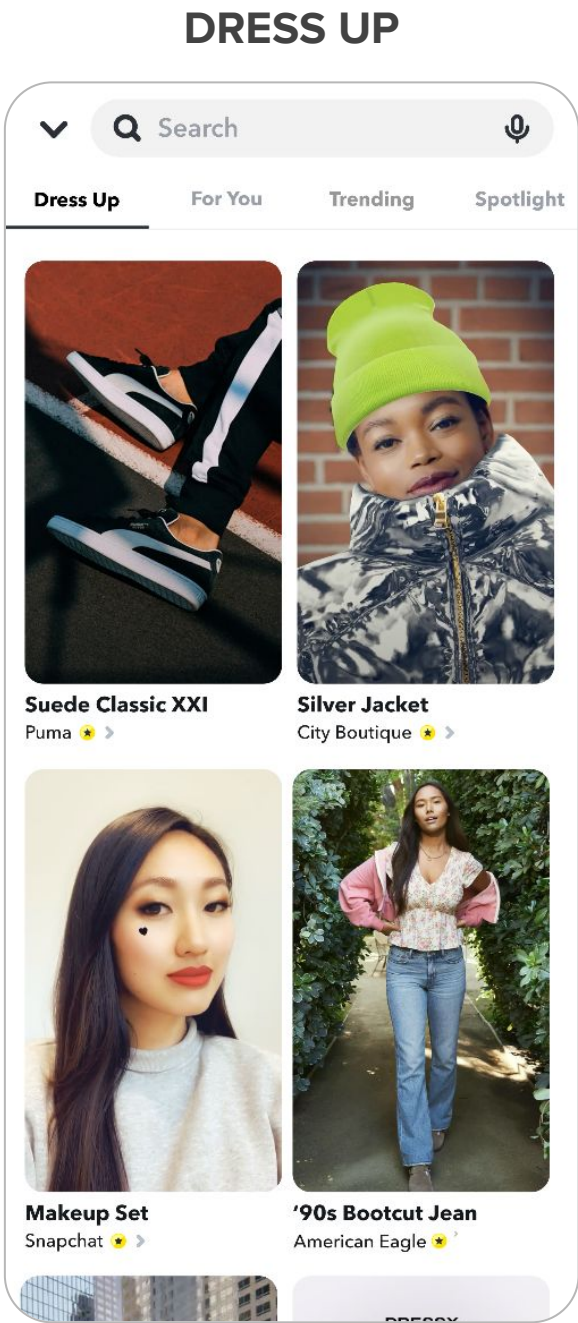
Future of Augmented Reality

AR Shopping

Since 2021, more than 250 million Snapchatters engaged with our AR Shopping Lenses more than 5 billion times.¹

Over half
of the shoppers on Snapchat agree that AR gives them more confidence about product quality.²

We’re offering tools like AR Image Processing Technology and our 3D Asset Manager to help businesses create and distribute AR shopping experiences on Snapchat, including our Dress Up Tab.



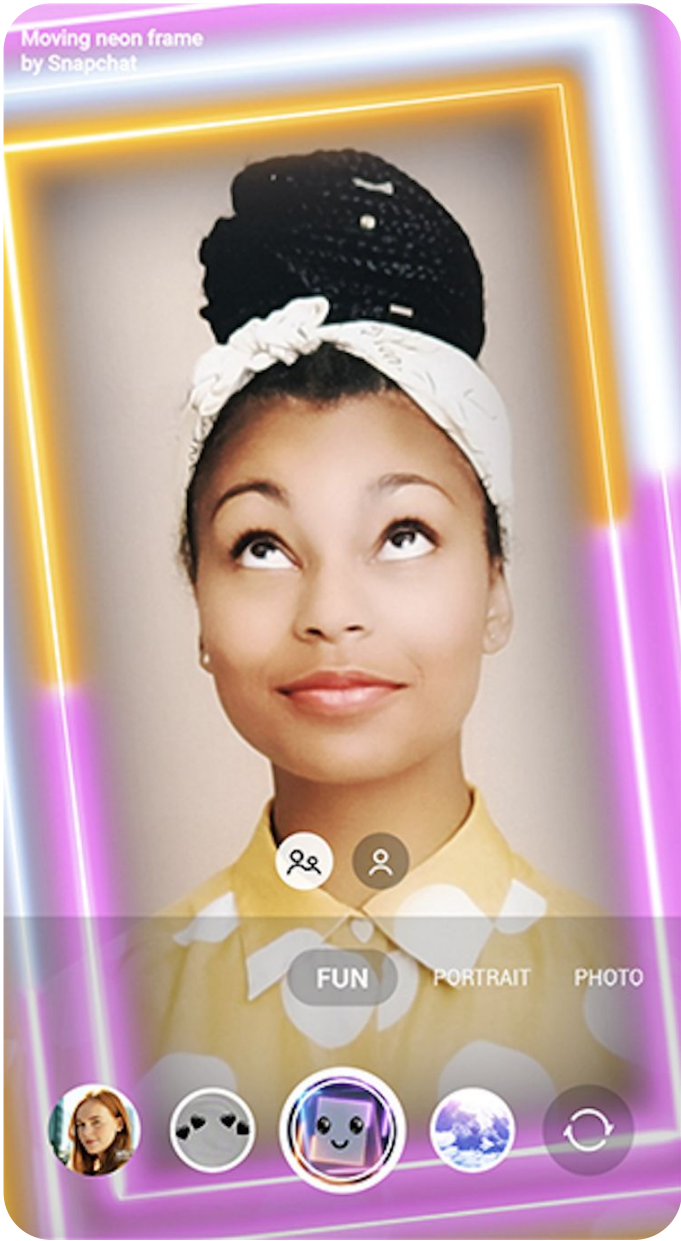
¹ Snap Inc. internal data Jan. 1, 2021–Feb. 28, 2022.
² 2021 Global Deloitte Digital Study commissioned by Snap Inc. | Base = Aggregate (n=8,770).

Camera KIT

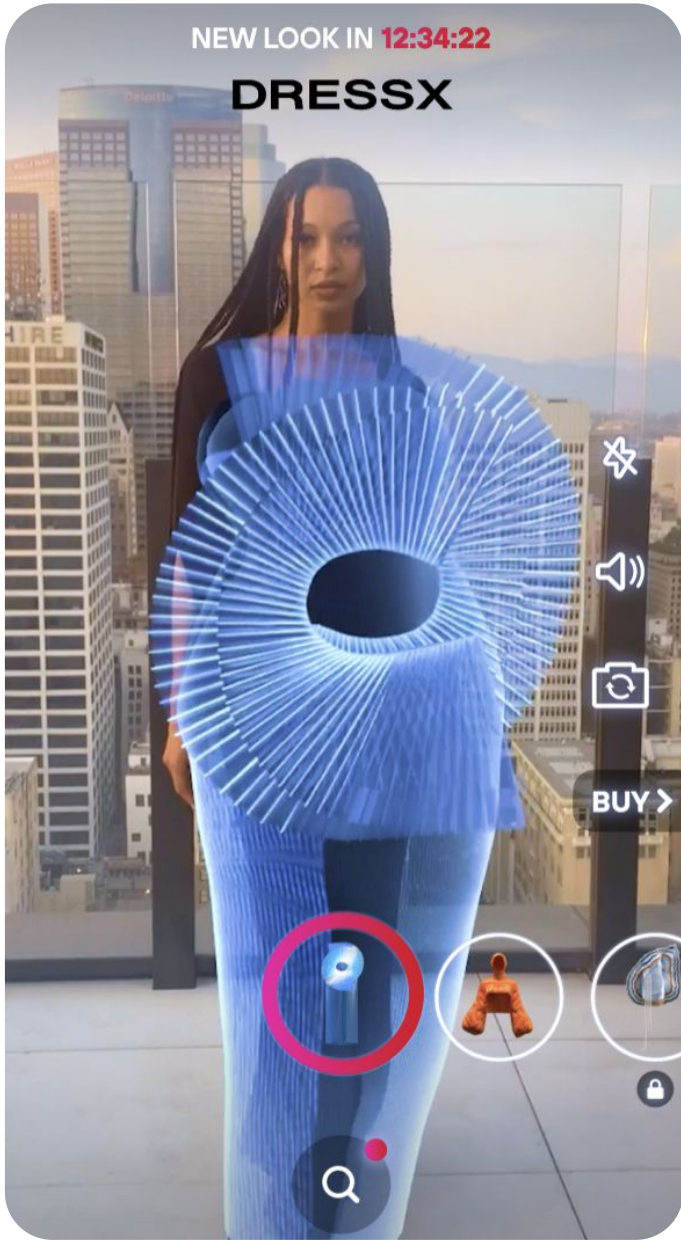
Camera Kit is a cross-platform SDK solution that brings the best of our AR ecosystem to partner applications.

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

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



SAMSUNG



DRESSX



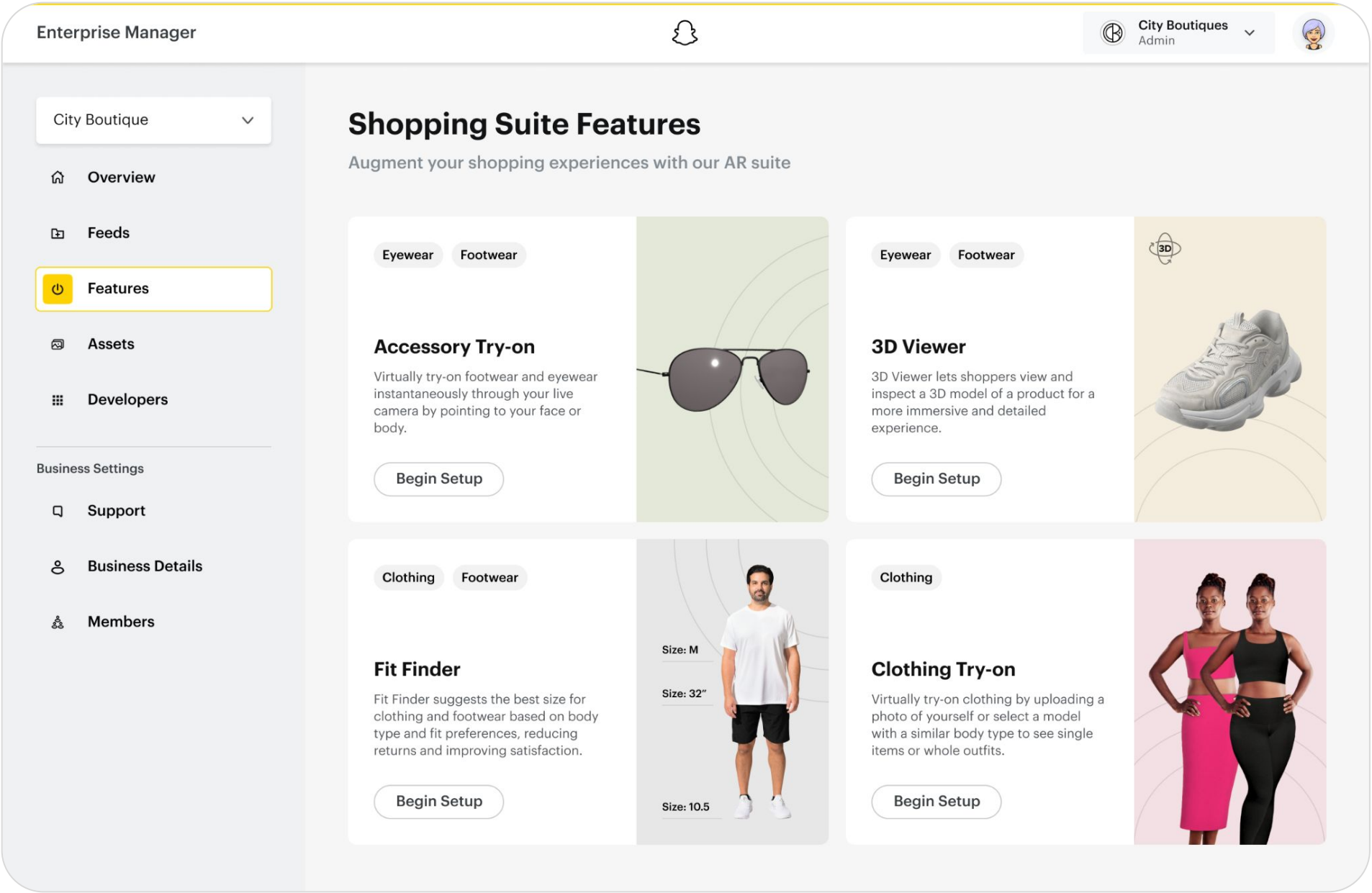
AR Enterprise Services (ARES)

ARES brings Snap’s world-class AR technology suite into customers’ owned-and-operated apps, websites, and physical locations.

ARES Shopping Suite provides merchants with the services, support, and tools for creating and implementing AR assets into their own apps and websites.

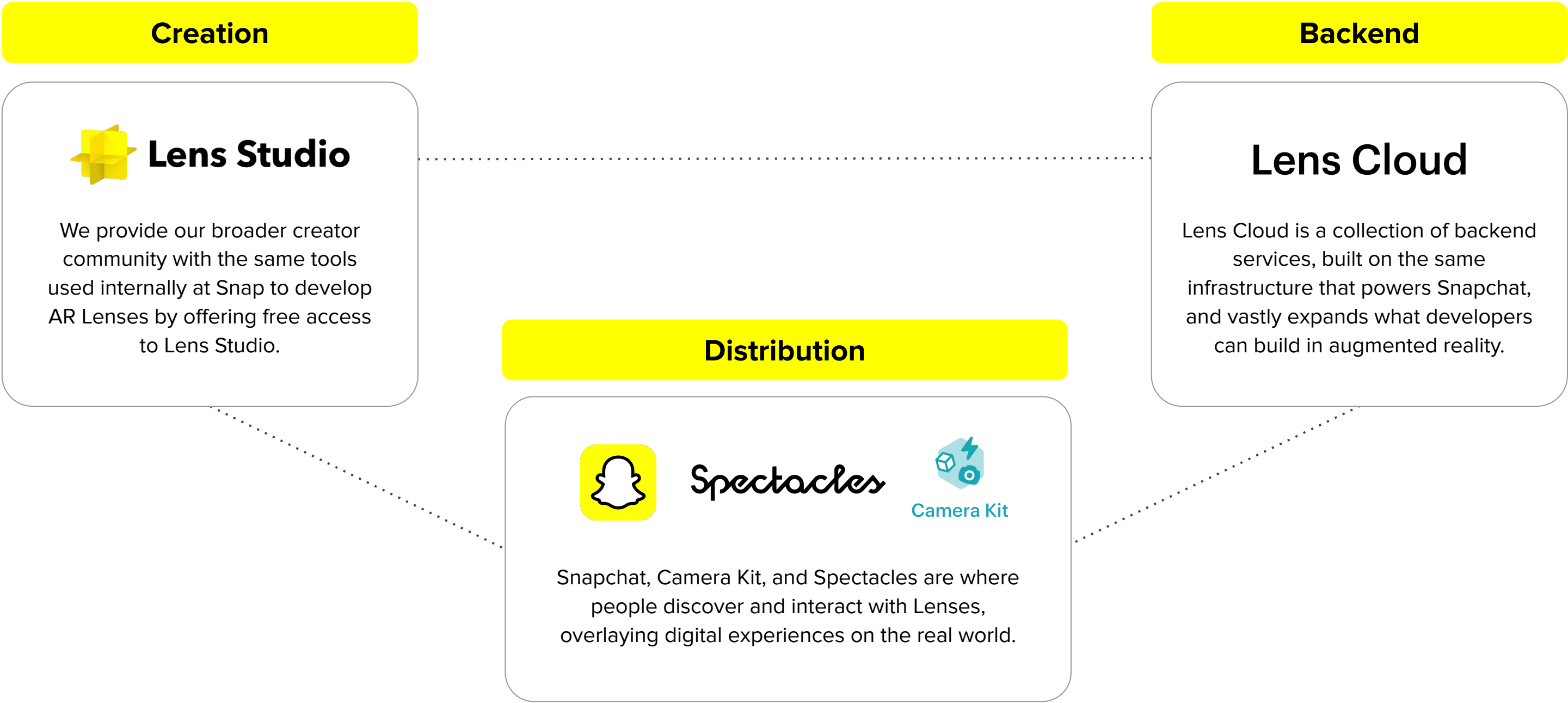
Features like 3D Viewer, Try-On, and Fit Finder help with fit and sizing, enhance product visualization, and improve the shopping experience.

Enterprise Asset Manager helps merchants manage 3D and 2D assets for their shopper experiences.



Continuing to Invest in the Future of Augmented Reality

We believe that immersive experiences will drive AR use grounded in the real world, shared with friends, and integrated into Snapchatters' lives.

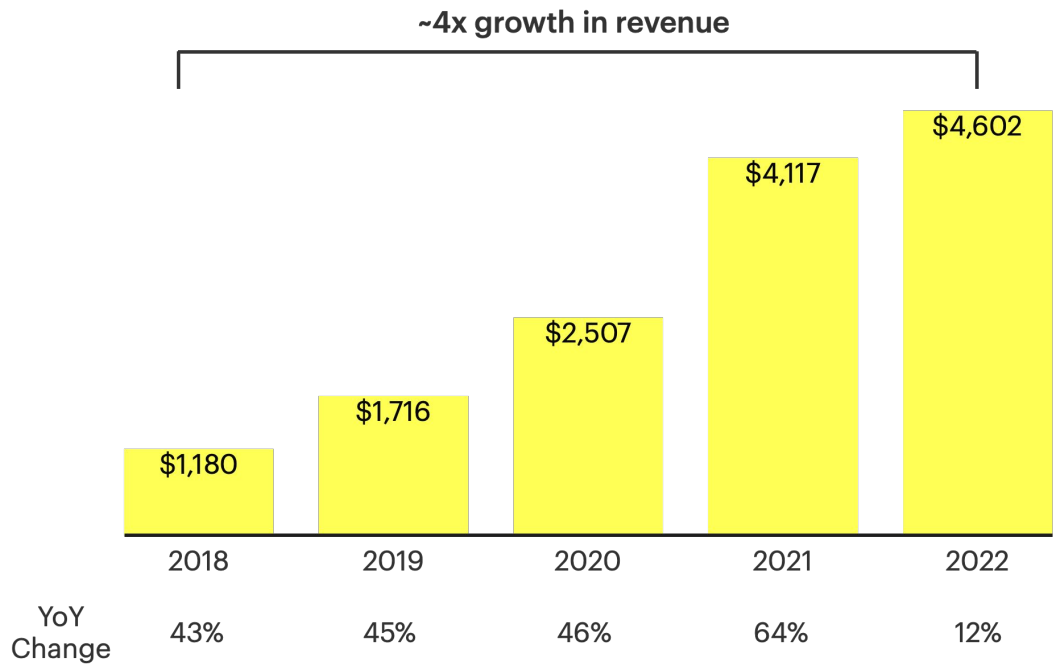


Long-Term Value Creation

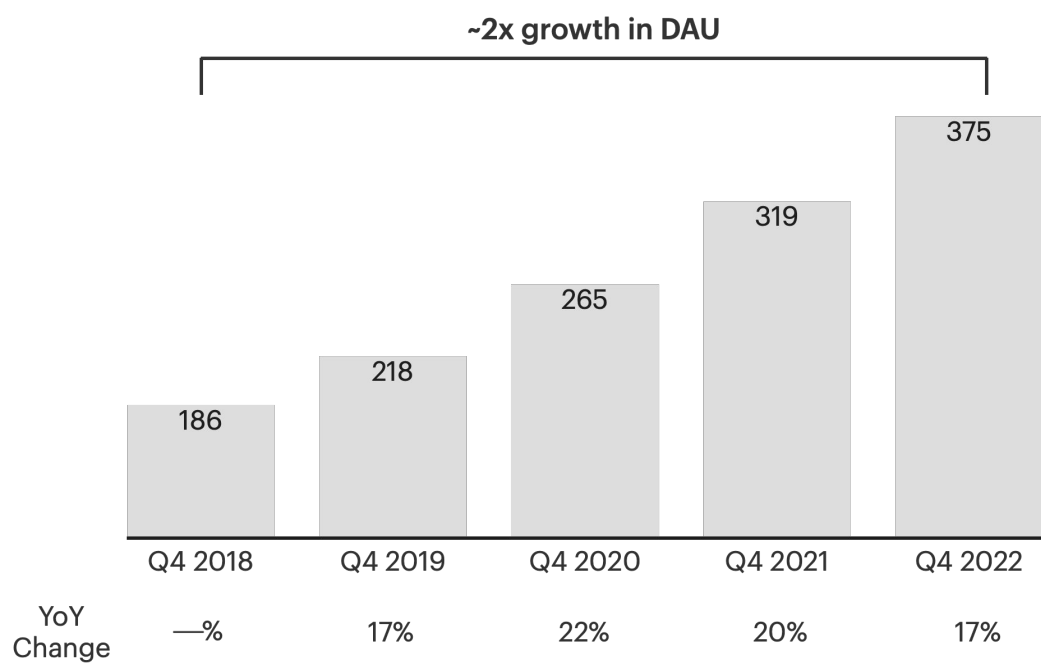
*In millions,
unaudited*

Growing Revenue and Scaling Efficiently

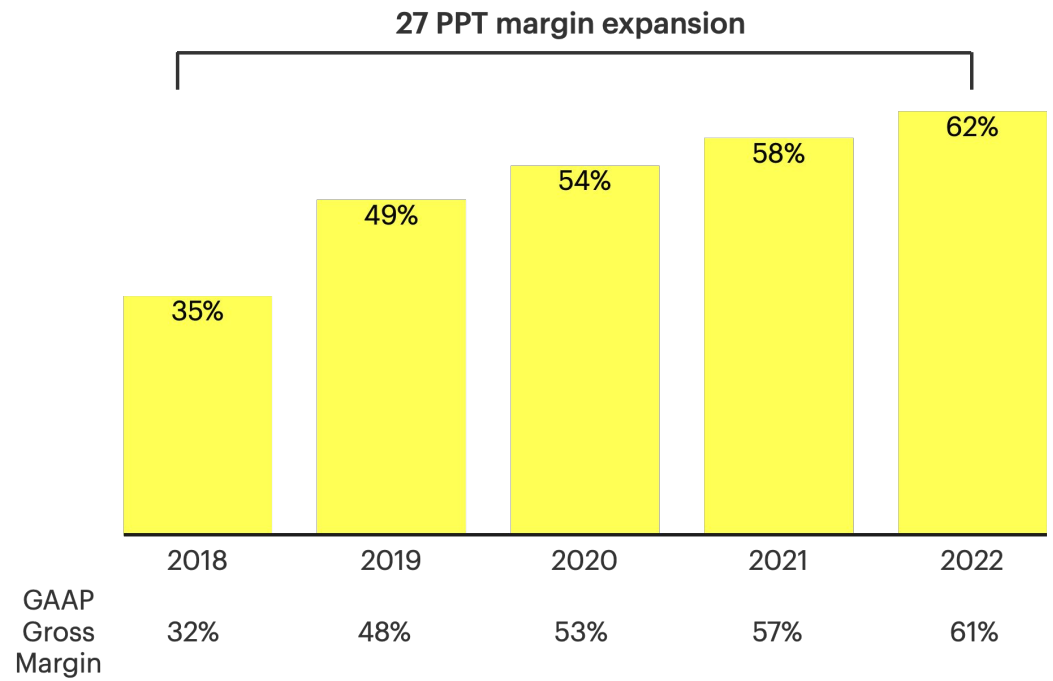
Revenue



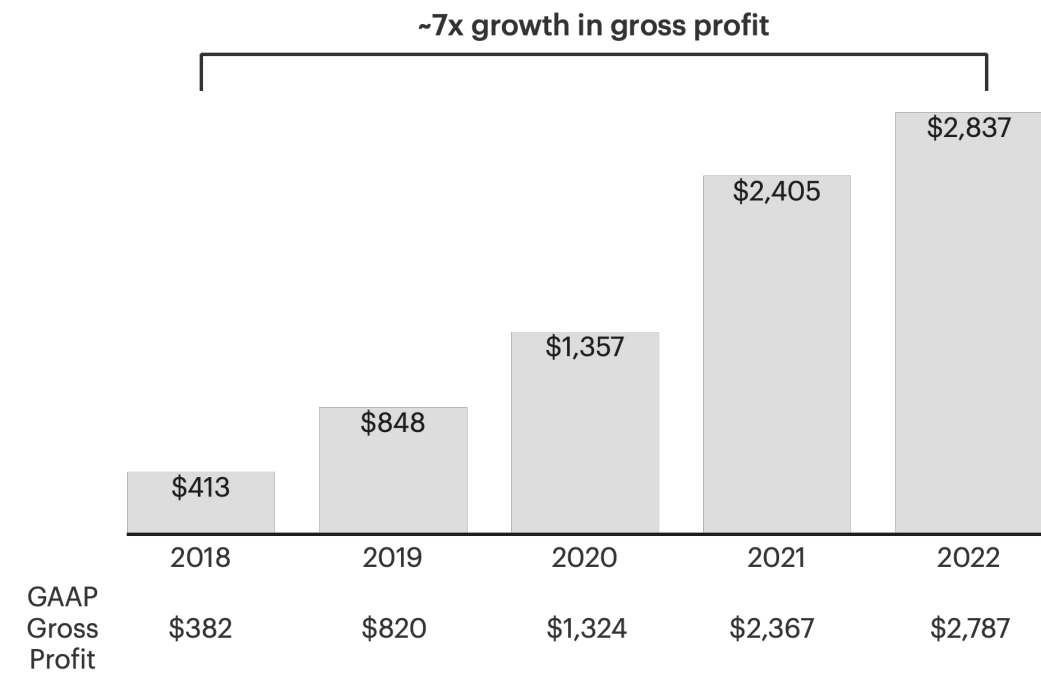
Average Daily Active Users¹



Adjusted Gross Margin²



Adjusted Gross Profit²

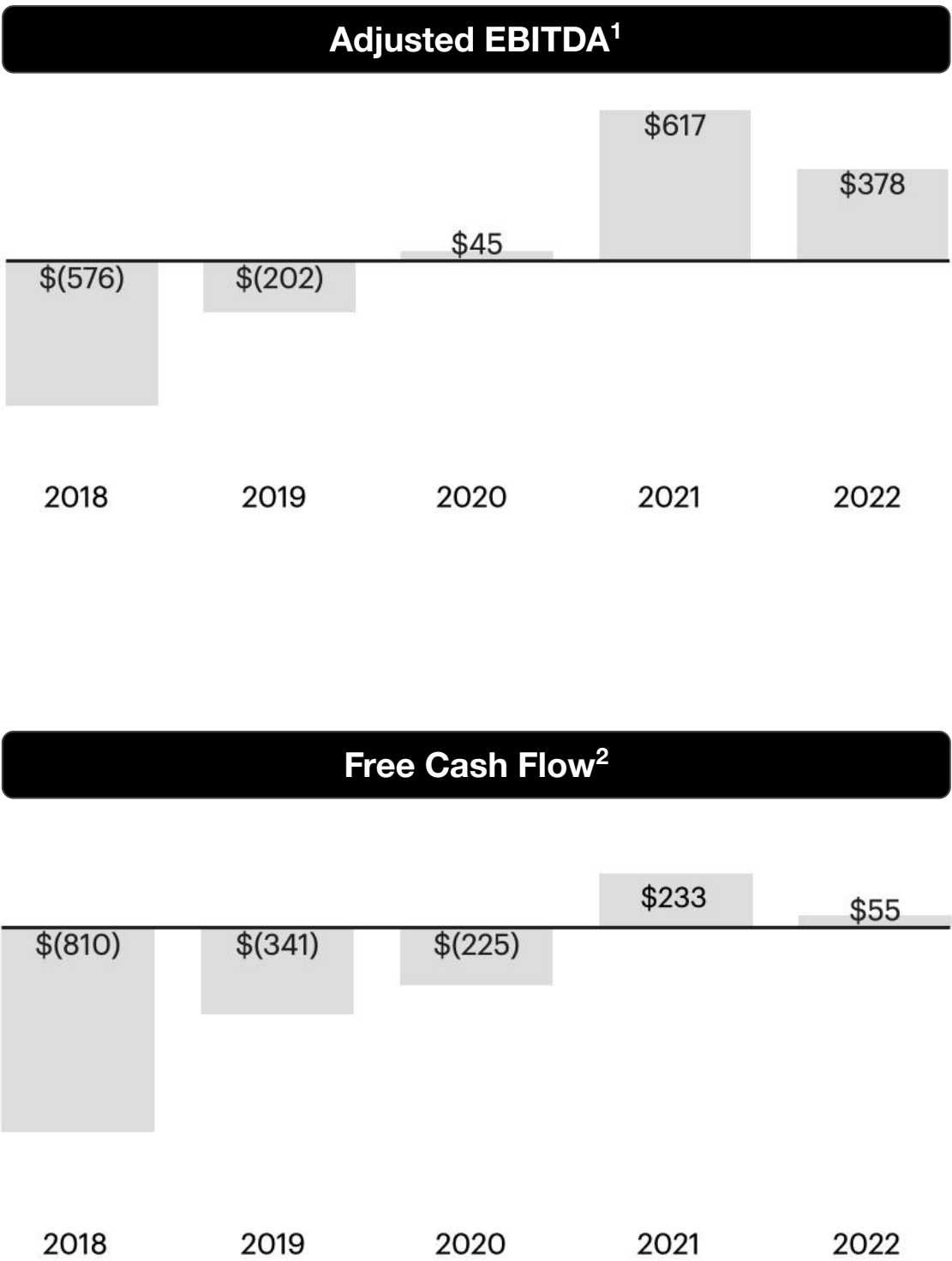


¹ We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average Daily Active Users for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the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

² Adjusted gross margin is a non-GAAP measure, which we define as adjusted gross profit divided by GAAP revenue. Adjusted gross profit is a non-GAAP measure, which we define as GAAP revenue less adjusted cost of revenue. Adjusted cost of revenue is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In 2022, non-recurring items included restructuring charges of \$21 million. See Appendix for further detail.

*In millions,
unaudited*

Balanced Approach to Investment Driving Path to Profitability



¹ Adjusted EBITDA is a non-GAAP measure, which we define as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In 2022, non-recurring items included restructuring charges of \$189 million. See Appendix for reconciliation of net loss to Adjusted EBITDA.

² Free Cash Flow is a non-GAAP measure, which we define as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. See Appendix for reconciliation of net cash provided by (used in) operating activities to Free Cash Flow. Operating Cash Flow and Free Cash Flow in 2022 include \$86 million cash paid for restructuring activities. Operating Cash Flow and Free Cash Flow in 2020 include a \$98 million payment for a non-recurring legal settlement related to a securities class action, accrued in 2019.

Capital Allocation Priorities

Investment in Business to
Support Growth and Scale

- Investing in our products and platforms
- Investing in our Direct Response business
- Investing in AR

M&A to Accelerate
Product Roadmap

- Accelerating our long-term product and technology vision
- Investing in technology and teams to improve our product roadmap

Shareholder Return

- Opportunistic stock repurchases
- Protect long-term value for shareholders

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+
ARES
Snap Map

Augmented Reality

Core Technology Platform

Consumer Facing Experiences

Building Blocks to Accelerate Revenue Growth

Near Term

DR advertising platform

Sponsored AR

Spotlight

Medium Term

Snapchat+

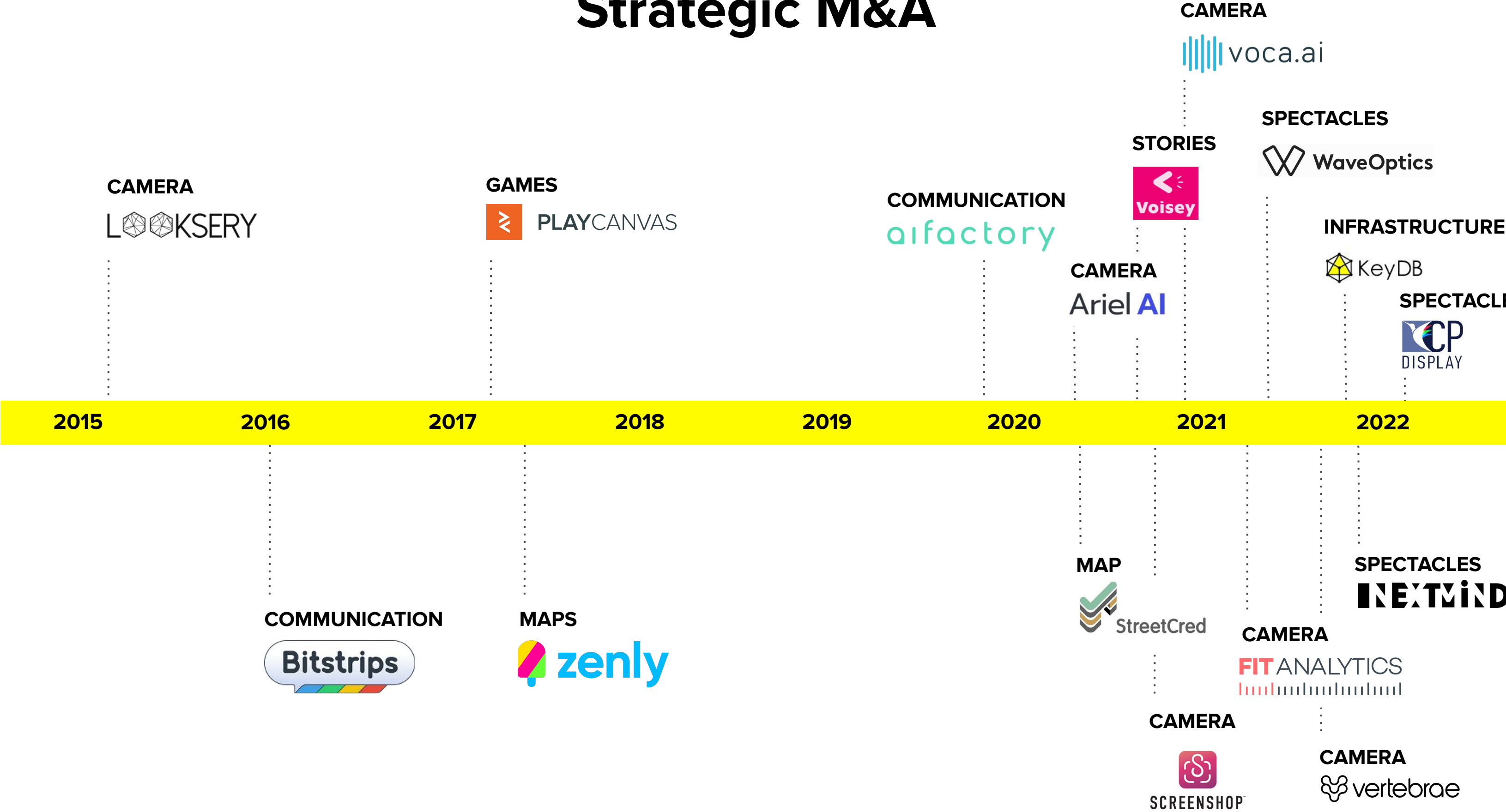
Snap Map

ARES

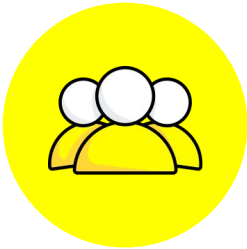
Long Term

Leadership in
Augmented Reality

Strategic M&A



Long-Term Value Creation



Path to 1 billion MAU over the next two to three years



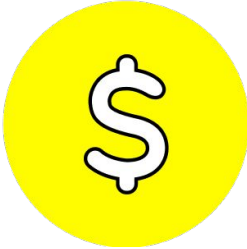
Reprioritized investments and clear path to Adjusted EBITDA profitability and positive free cash flow



Executing against our plan to improve our DR business in order to take market share



Innovate to drive growth in content engagement



Diversifying revenue sources



Well-positioned to lead in the next computing platform transition

Appendix

Non-GAAP Financial Measures Reconciliation – Annual

(in thousands, unaudited)

	Year Ended					
	2018	2019	2020	2021	2022	
Adjusted EBITDA Reconciliation						
Net income (loss)	\$ (1,255,911)	\$ (1,033,660)	\$ (944,839)	\$ (487,955)	\$ (1,429,653)	
Add (deduct):						
Interest income	(27,228)	(36,042)	(18,127)	(5,199)	(58,597)	
Interest expense	3,894	24,994	97,228	17,676	21,459	
Other (income) expense, net	8,248	(59,013)	(14,988)	(240,175)	42,529	
Income tax (benefit) expense	2,547	393	18,654	13,584	28,956	
Depreciation and amortization	91,648	87,245	86,744	119,141	186,434	
Stock-based compensation expense	538,211	686,013	770,182	1,092,135	1,353,283	
Payroll and other tax expense related to stock-based compensation	21,927	27,840	50,309	107,479	44,213	
Securities class actions legal charges ¹	—	100,000	—	—	—	
Reduction in force ¹	9,884	—	—	—	—	
Lease exit charges ¹	31,143	—	—	—	—	
Restructuring charges ²	—	—	—	—	188,949	
Adjusted EBITDA³	\$ (575,637)	\$ (202,230)	\$ 45,163	\$ 616,686	\$ 377,573	

	Year Ended					
	2018	2019	2020	2021	2022	
Free Cash Flow Reconciliation						
Net cash provided by (used in) operating activities	\$ (689,924)	\$ (304,958)	\$ (167,644)	\$ 292,880	\$ 184,614	
Less:						
Purchases of property and equipment	(120,242)	(36,478)	(57,832)	(69,875)	(129,306)	
Free Cash Flow⁴	\$ (810,166)	\$ (341,436)	\$ (225,476)	\$ 223,005	\$ 55,308	

¹ 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 and other charges relating to reduction in force and lease exit charges in prior years are non-recurring and not reflective of underlying trends in our business.

² Restructuring charges in 2022 were composed primarily of severance and related charges of \$97 million, stock-based compensation expense, lease exit and related charges, impairment charges, contract termination charges, and intangible asset amortization. These charges are non-recurring and not reflective of underlying trends in our business.

³ Adjusted EBITDA is a non-GAAP measure, which we define as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other non-cash or non-recurring items impacting net income (loss) from time to time.

⁴ Free Cash Flow is a non-GAAP measure, which we define as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.

Snap Inc.