

**Snap Announces Proposed Private Offering of \$750.0 Million of Convertible Senior Notes Due 2025**

04/23/20

SANTA MONICA, Calif.--(BUSINESS WIRE)-- Snap Inc. (NYSE: SNAP) announced today that it intends to offer, subject to market conditions and other factors, \$750.0 million principal amount of convertible senior notes due 2025 in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, or the Securities Act. Snap also intends to grant the initial purchasers of the notes an option to purchase up to an additional \$112.5 million principal amount of notes.

The notes will be general unsecured obligations of Snap and will accrue interest payable semiannually in arrears.

The notes will mature on May 1, 2025, unless repurchased, redeemed, or converted in accordance with their terms prior to the maturity date. The notes will be convertible at the option of the holders prior to the close of business on the business day immediately preceding February 1, 2025 only on the satisfaction of certain conditions and during certain periods. After that, the notes will be convertible at the option of the holders at any time until the close of business on the business day immediately preceding the maturity date. On conversion, Snap will elect to settle the notes in cash, shares of Snap's Class A common stock, or a combination of cash and shares of Snap's Class A common stock. The interest rate, initial conversion rate, and other terms of the notes will be determined at the time of pricing of the offering.

Snap intends to use the net proceeds from the offering for general corporate purposes, including working capital, operating expenses, capital expenditures, and to pay the cost of the capped call transactions described below. Snap may also use a portion of the net proceeds to acquire complementary businesses, products, services, or technologies or for repurchases of Snap's common stock, although it has no commitments for any material acquisitions or stock repurchases at this time.

The notes and any shares of Snap Class A common stock issuable on conversion of the notes have not been registered under the Securities Act or any state securities laws. Unless a subsequent sale is registered under the Securities Act, the notes and shares of Snap Class A common stock issuable on conversion of the notes may only be offered or sold in the United States in a transaction that is exempt from or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws.

In connection with the pricing of the notes, Snap plans to enter into capped call transactions with one or more of the initial purchasers of the notes or their respective affiliates or other financial institutions, collectively, the capped call counterparties. The capped call transactions will cover, subject to customary anti-dilution adjustments, the number of shares of Snap Class A common stock that will initially underlie the notes, assuming the initial purchasers do not exercise their option to purchase additional notes. The capped call transactions are expected generally to reduce potential dilution to holders of Snap's Class A common stock on any conversion of notes or offset any cash payments Snap is required to make in excess of the principal amount of any such converted notes, as the case may be, with such reduction or offset subject to a cap. If the initial purchasers of the notes exercise their option to purchase additional notes, Snap plans to enter into additional capped call transactions with the capped call counterparties.

In connection with establishing their initial hedges of the capped call transactions, the capped call counterparties or their respective affiliates may purchase shares of Snap Class A common stock or enter into various derivative transactions with respect to Snap Class A common stock concurrently with, or shortly after, the pricing of the notes. This activity could increase (or reduce the size of any decrease in) the market price of Snap Class A common stock or the notes at that time.

In addition, the capped call counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to Snap Class A common stock or purchasing or selling Snap Class A common stock in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so during any observation period related to a conversion of notes or following any repurchase of notes by Snap on any fundamental change repurchase date or otherwise). This activity could also cause or avoid an increase or decrease in the market price of Snap Class A common stock or the notes, which could affect noteholders' ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of notes, it could affect the amount and value of the consideration that noteholders will receive on conversion of such notes.

This press release is not an offer to sell and is not soliciting an offer to buy any securities, nor will it constitute an offer, solicitation, or sale of the securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

**About Snap Inc.**

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.

**Forward-Looking Statements**

This press release 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, about Snap and Snap's industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this press release, including statements regarding the proposed terms of the offering, the completion, timing, and size of the proposed offering and the capped call transactions, the anticipated use of the net proceeds from the offering, and expectations regarding the effect of the capped call transactions and regarding actions of the capped call counterparties and their respective affiliates

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. Snap cautions you that the foregoing may not include all of the forward-looking statements made in this press release.

You should not rely on forward-looking statements as predictions of future events. Snap has based the forward-looking statements contained in this press release primarily on its current expectations and projections about future events and trends that it believes may affect Snap's business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks and uncertainties related to: Snap's financial performance, including revenues, cost of revenues, operating expenses and the impact of the COVID-19 pandemic on Snap's business and operations, and its ability to attain and sustain profitability; the ability to generate and sustain positive cash flow; the ability to attract and retain users and partners; the ability to attract and retain advertisers; the ability to compete effectively with existing competitors and new market entrants; the ability to effectively manage its growth and future expenses; the ability to comply with modified or new laws and regulations applying to its business; the ability to maintain, protect, and enhance Snap's intellectual property; the ability to successfully expand in Snap's existing market segments and penetrate new market segments; the ability to attract and retain qualified employees and key personnel; the ability to repay outstanding debt; and future acquisitions of or investments in complementary companies, products, services, or technologies, and other factors described in "Risk Factors" in Snap's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 which is available on the SEC's website at sec.gov. In addition, any forward-looking statements contained in this press release are based on assumptions that Snap believes to be reasonable as of this date. Snap undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

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