Snap Inc.

Investor Presentation

July 2021

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 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 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 and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding guidance, our future results of operations or financial condition, business strategy and plans, user growth and engagement, product initiatives, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "going to," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions. 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 and the ongoing COVID-19 pandemic, 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 modified or 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 and key personnel; our ability to repay outstanding debt; future acquisitions or investments; and the potential adverse impact of the COVID-19 pandemic on our business, operations, and the markets and communities in which we and our partners, advertisers, and users operate, 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, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, dispositions, joint ventures, restructurings, legal settlements, or investments. Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (investor.snap.com); filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, including Snapchat and our website, to communicate with our members and the public about our company, our products, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website. This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. A reconciliation of GAAP to non-GAAP measures is provided in the appendix of this presentation.

Snap Inc. Is a Camera Company

We believe that reinventing the camera represents our greatest opportunity to improve the way people live and communicate.
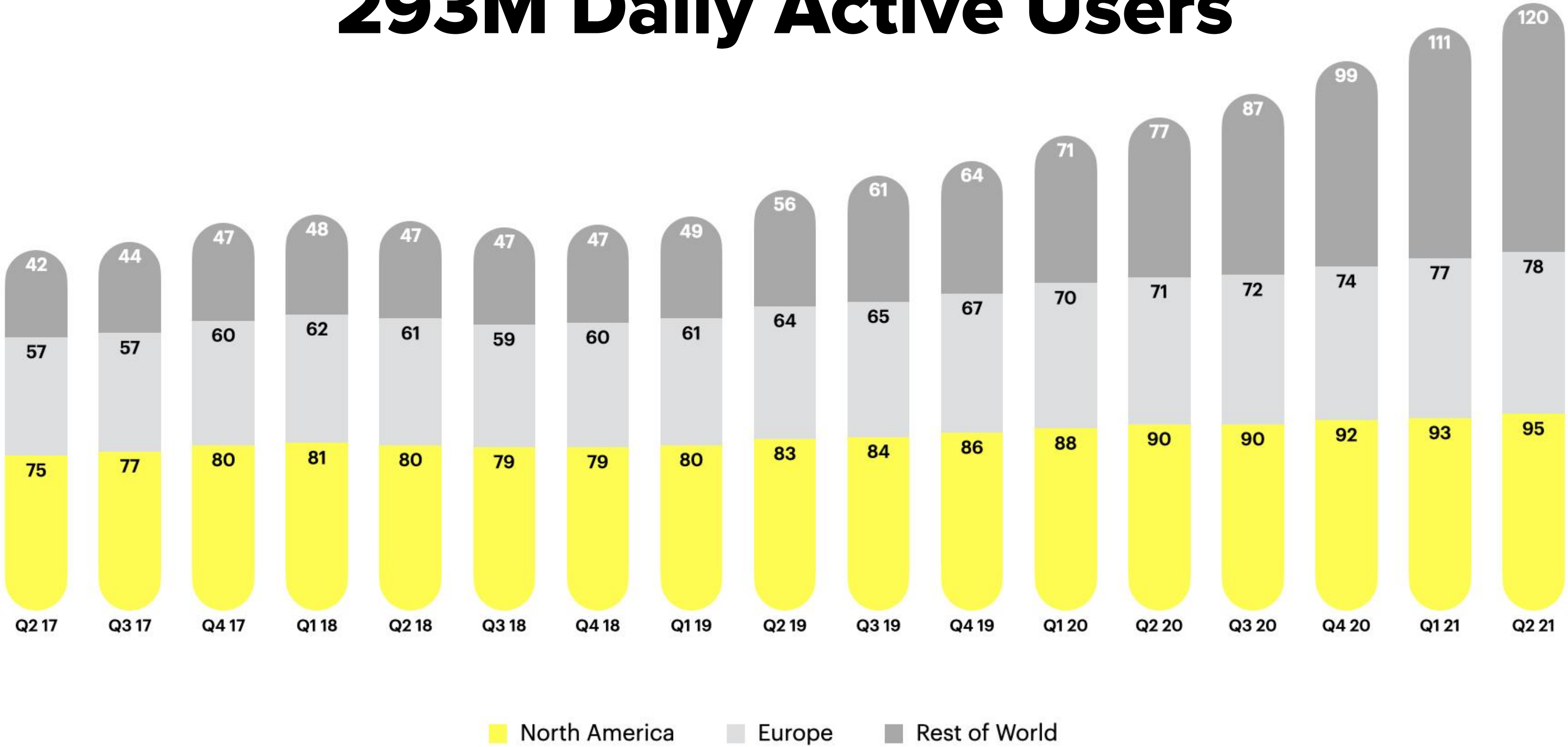
We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.
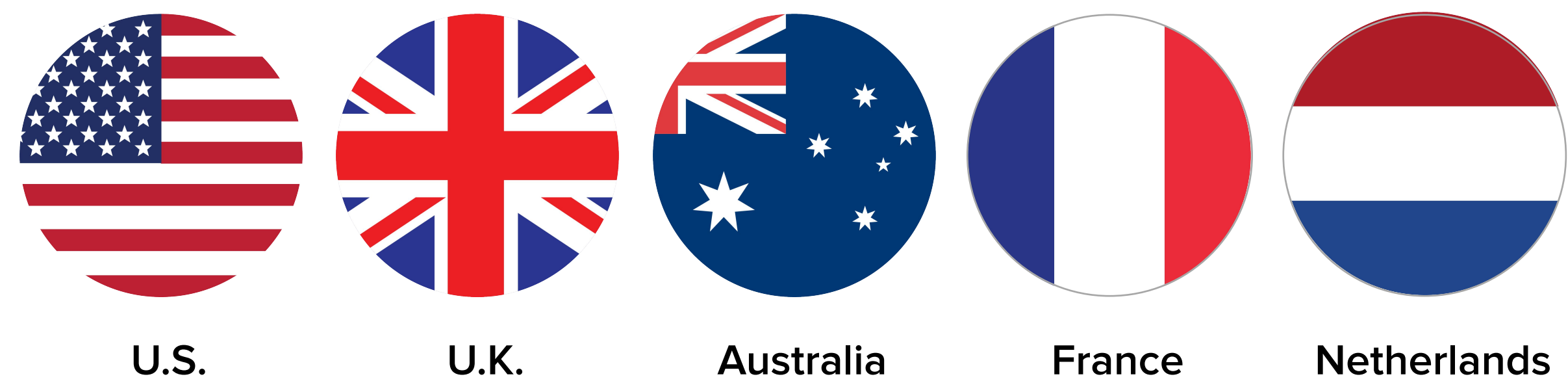
Snap Inc.

Our Community

Strong Growth in our Community

On average

293M Daily Active Users

	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Rest of World	42	44	47	48	47	47	47	49	56	61	64	71	77	87	99	111	120
Europe	57	57	60	62	61	59	60	61	64	65	67	70	71	72	74	77	78
North America	75	77	80	81	80	79	79	80	83	84	86	88	90	90	92	93	95

North America   Europe   Rest of World

Snap Inc. internal data Q2 2017 - Q2 2021. See Snap Inc. public filings with the SEC.

High Penetration in Most Established Markets

U.S. U.K. Australia France Netherlands

90%
of 13 to 24-Year-Old Population

75%
of 13 to 34-Year-Old Population

Snap Inc. internal data Q4 2020. Penetration calculated as MAU divided by 2020 population estimates, per United Nations World Population Prospects, 2019.

Significant Opportunity To Expand Our Community Globally

| North America | Europe | Rest of the World |

24% Penetration[3]
95M DAU[1]

14% Penetration[3]
78M DAU[1]

5% Penetration[3]
120M DAU[1]

~400M Smartphones[2]

~560M Smartphones[2]

~2.4B Smartphones[2]
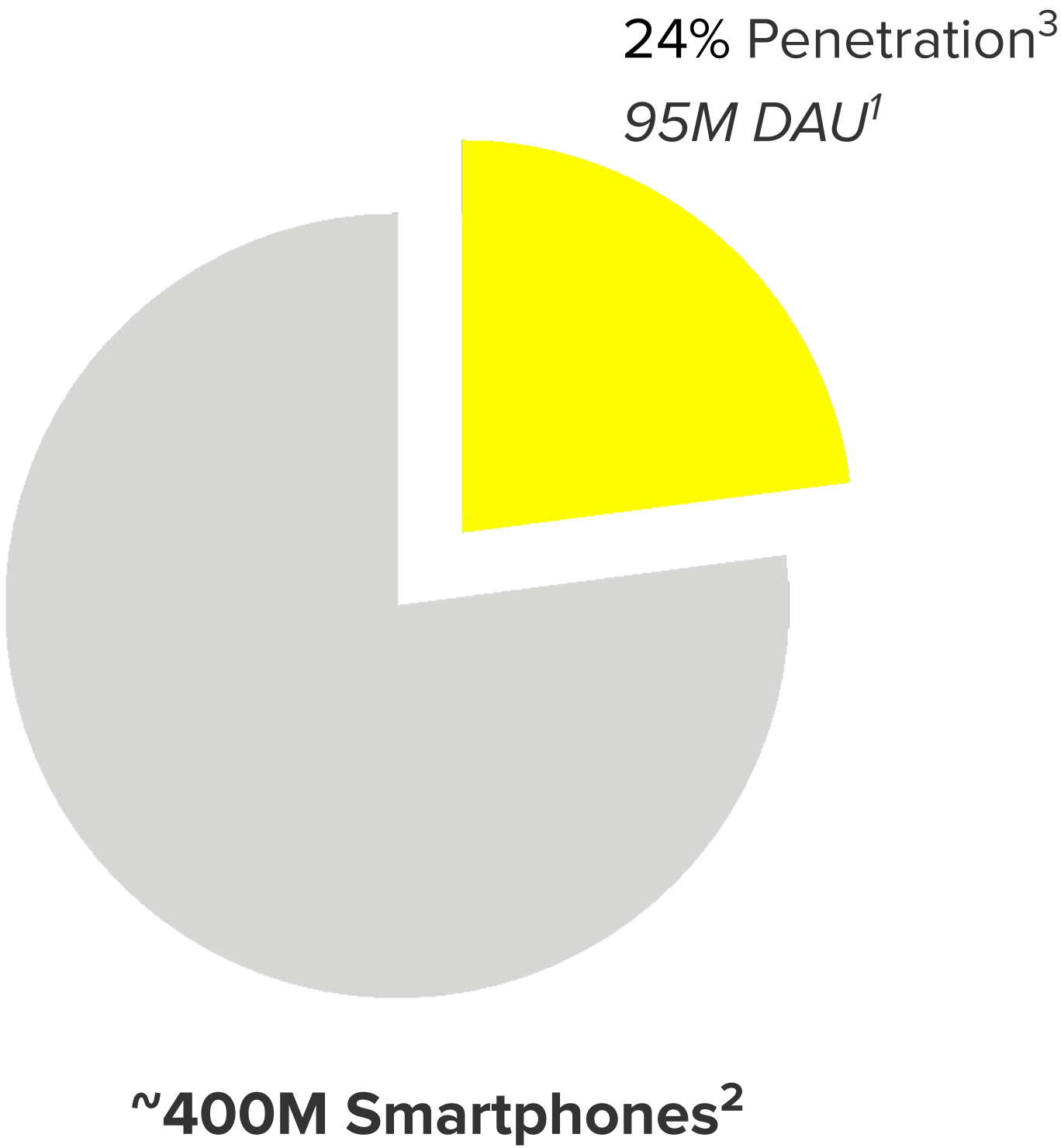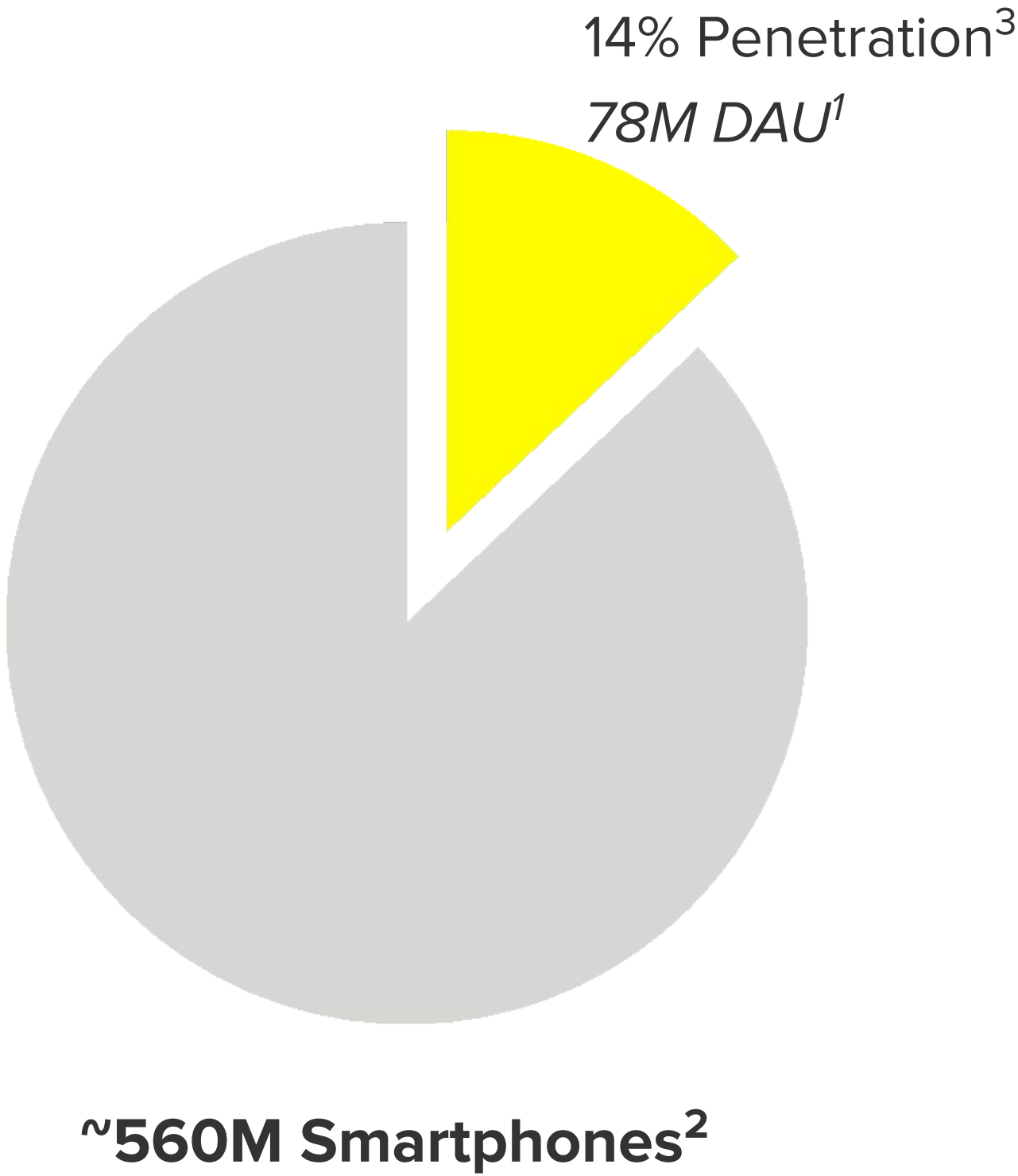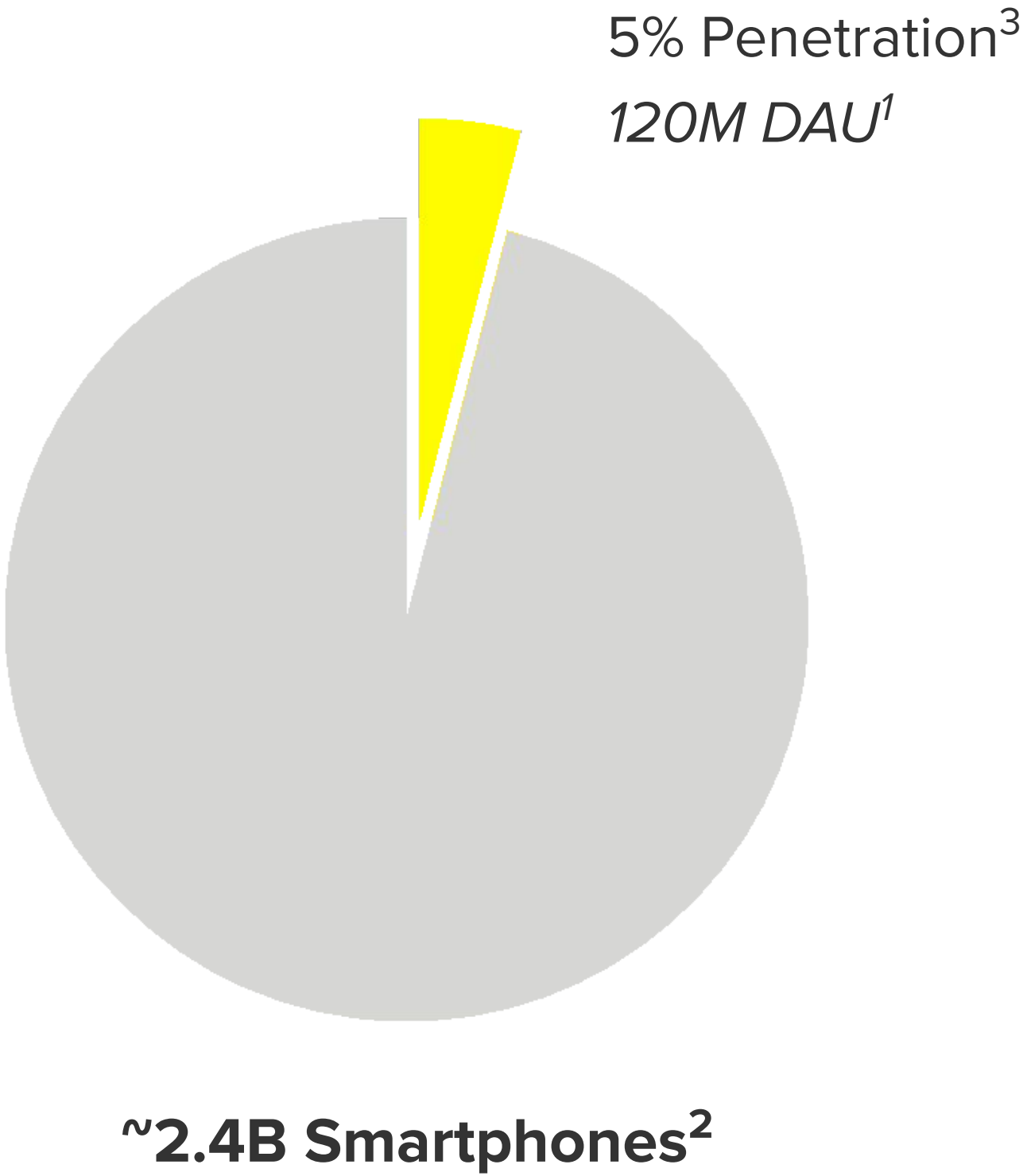
1. Snap Inc. internal data Q2 2021. See Snap Inc. public filings with the SEC.
2. eMarketer & Newzoo 2020 smartphone estimates.
3. Percentage calculated by dividing Snap Inc. DAU by total smartphone estimate.

International Growth Playbook

LOCAL LANGUAGE

LOCAL LENSES

LOCAL CONTENT

LOCAL MARKETING

LOCAL PARTNERSHIPS

35

languages currently supported[1]

Over

2M

Lenses launched[2]

200K+

active Lens creators globally[2]

500+

content partners in

17

countries around the World[3]

Generate awareness through local marketing initiatives

Preload partnerships with major handset OEMs provide placement & promotion:

SAMSUNG vivo

Partnerships with local telcos ensure attractive data rating and promotion:

ooredoo

telcel

Snapchat

9 Years of Innovation

Daily Active Users

293M

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 To Date
										Map Layers	
										Spotlight	Sticker Kit
										Sounds	Story Studio
									Creative Kit Web	Music Lenses	Gifting
							Reach & Frequency	Spectacles V3	Happening Now	API Lenses
						Dancing Hotdog	Product Catalogs	Cameos	Local Lenses	Public Profiles
					Snap Pixel	Lens Challenges	App Stories	Camera Kit	Connected Lenses
				Music Recognition	Snap Publisher	Discover	Scan	Snap Minis	Camera Shortcuts
				Memories	Ads Manager	Group Video Chat	AR Bar	Snap ML	Screenshop
				Bitmoji	Custom Stories	Snappables	Bitmoji Stories	Places on Snap Map	Snap Reply on Android
				Geostickers and 3D Stickers	Context Cards	Lens Explorer	Deep Neural Network AR	Action Bar	Lens Pages on Android
			Snapcodes	Spectacles	Voice Filters	Snap Kit	Bitmoji TV	Story Replies	Cameos Stories
			Sponsored Geofilters	Shows	Snap Map	Spectacles V2	Lens Web Builder	Lens Voice Scan	3D Body Tracking
		Live Stories	Best Friend Emojis	Group Chat	World Lenses	Visual Search	Android Rebuild	Dynamic Lenses	Friend Check Up
		Snap Ads	Publisher Stories	Face Swap	Lens Studio	Snap Originals	Creator Profiles	Bitmoji for Games	Apps Ads Kit
	Smart Filters	Chat	Lenses	Voice and Video Calling	Multi-Snap	Snap Camera	Landmarkers	Here For You	Sound Topics on Android
Snapchat Launch	Android Video	Stories	Geofilters	Story Explorer	On-Demand Geofilters	Story Ads	Friendship Profiles	Snap Games	Topics for Our Story	Sticker Recommendations

The Snapchat Experience

Five core platforms

MAP
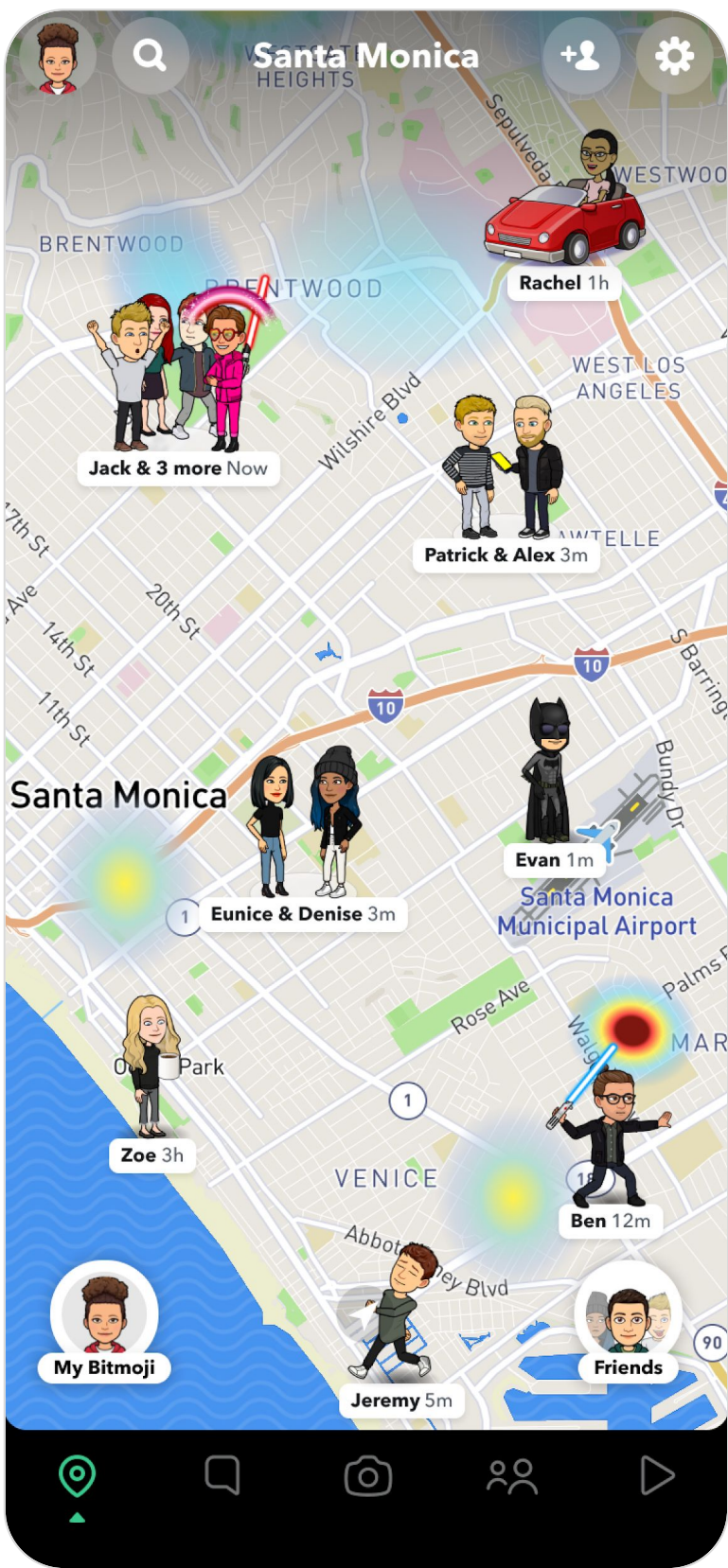
COMMUNICATIONS
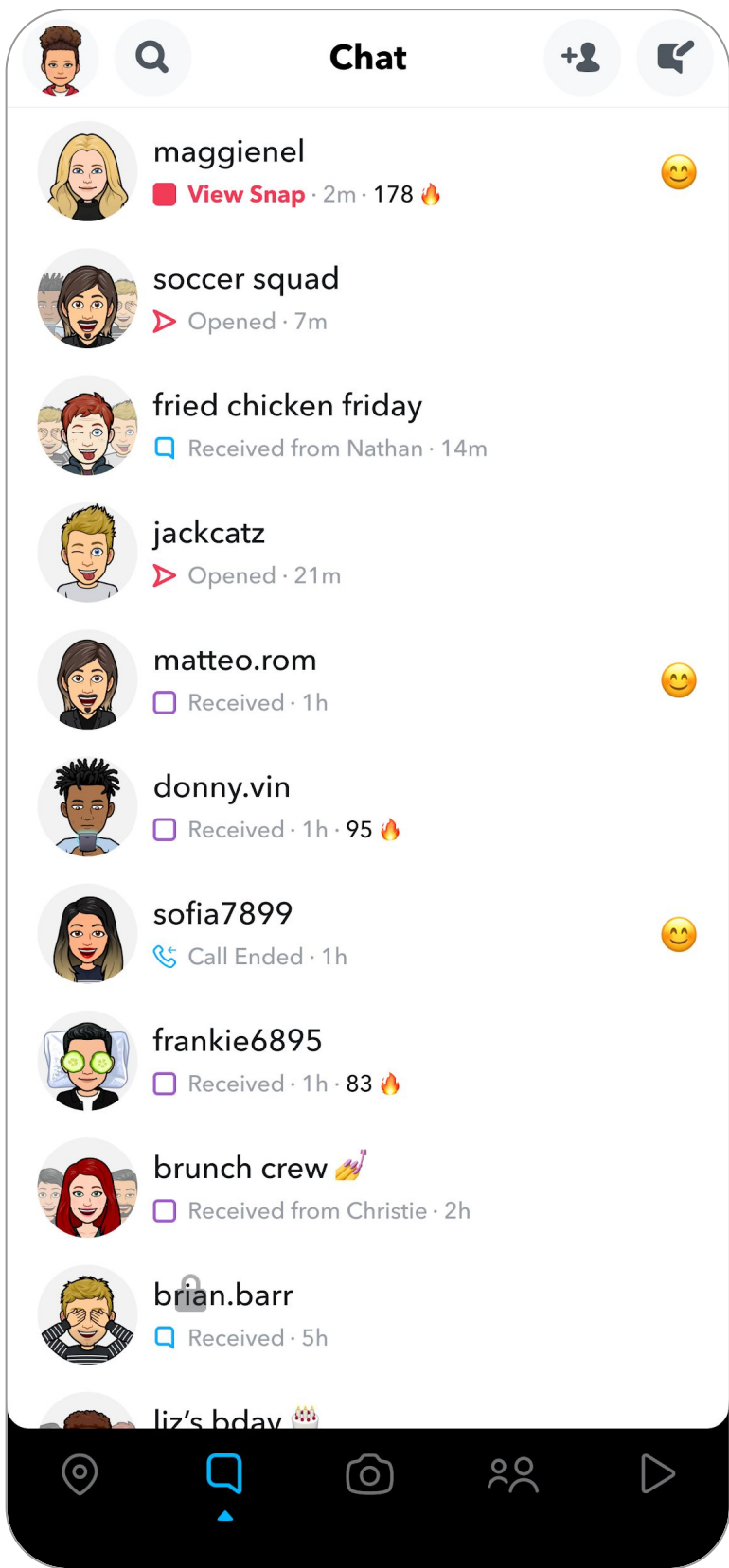
CAMERA

STORIES
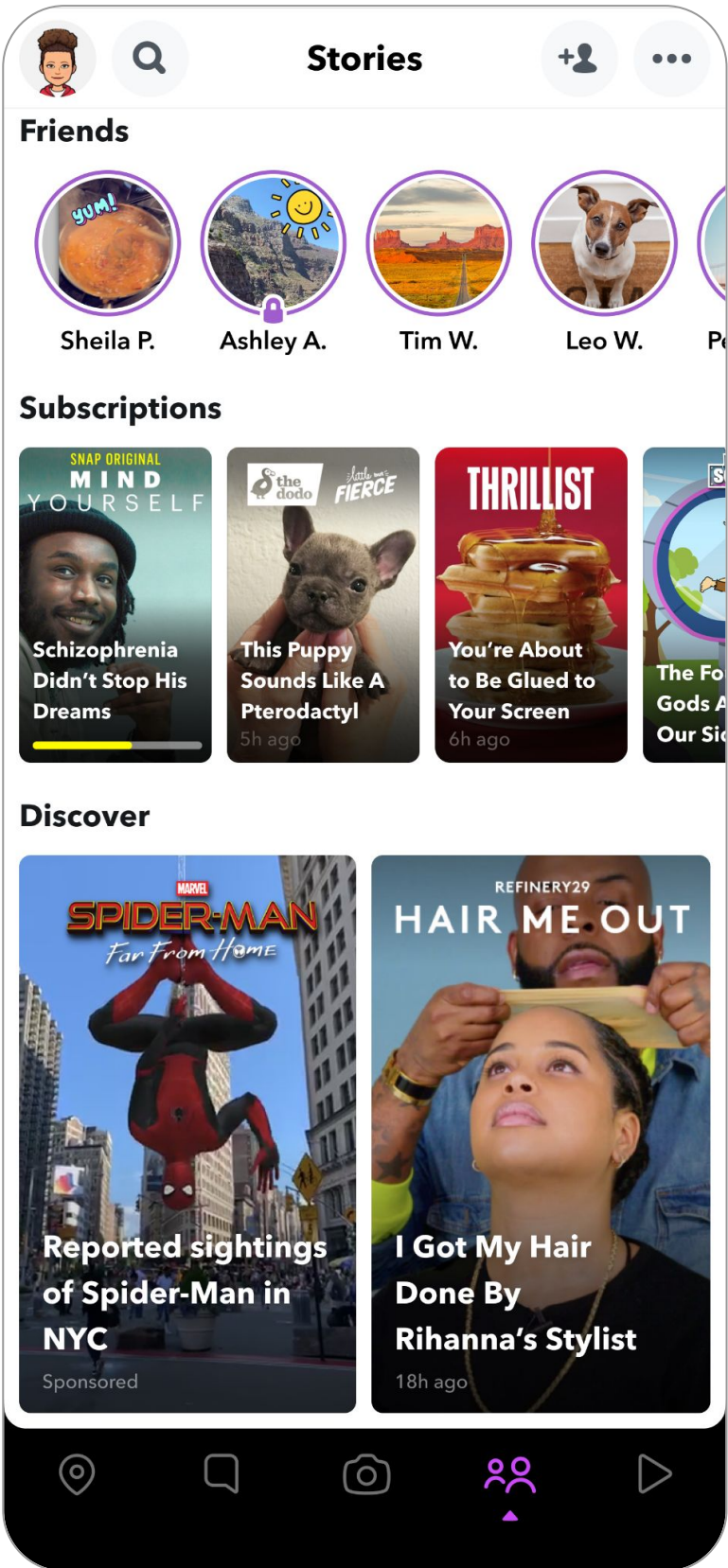
SPOTLIGHT

Camera and Augmented Reality

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

MACHINE-LEARNING LENSES   **SCAN**   **LOCAL LENSES**

200 Million+
Snapchatters engage with
AR every day on average

170 Million+
Snapchatters engage with
Scan every month

Snap Inc. internal data Q2 2021.
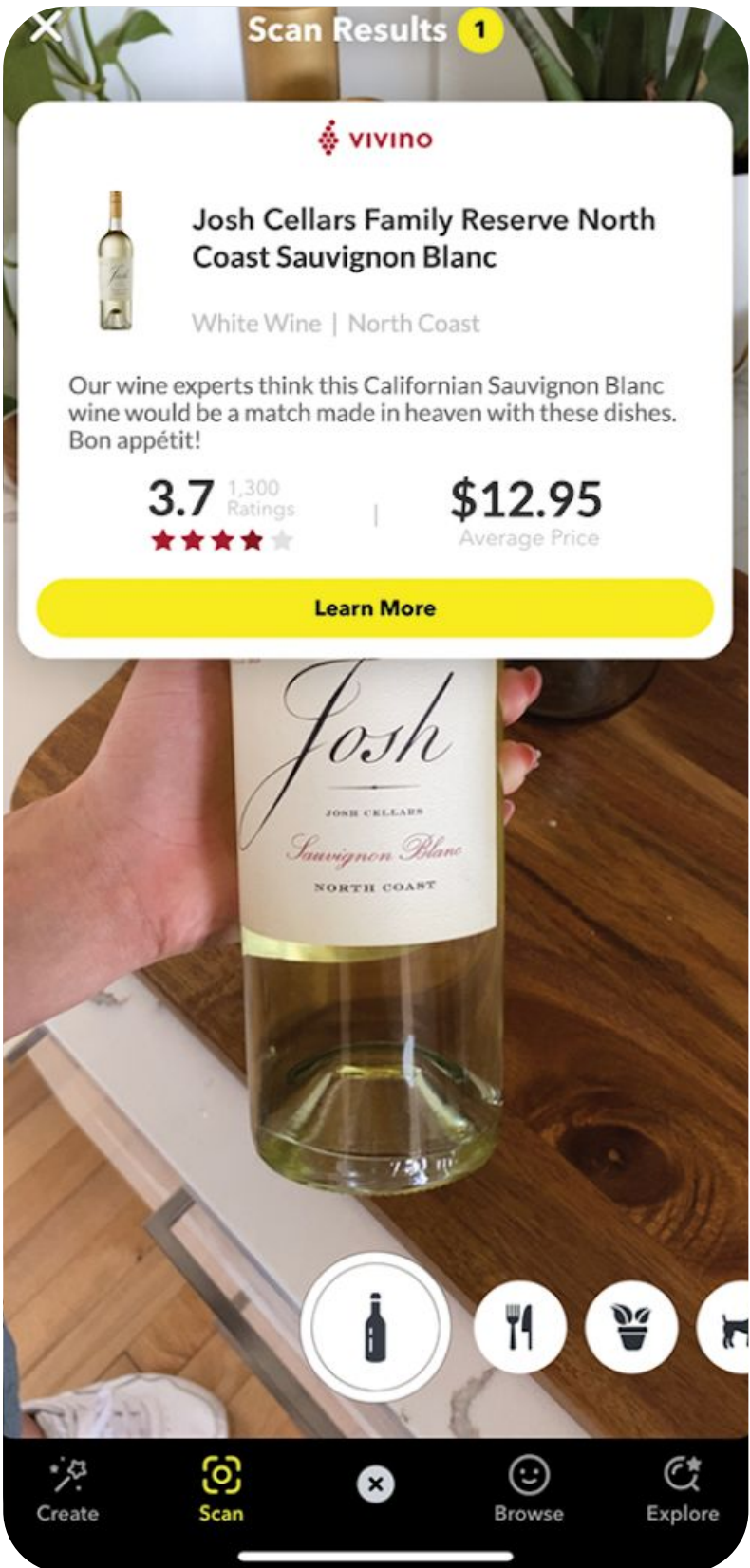
Communications

The Communications platform is where our community expresses themselves through pictures and messages with their closest friends.

CHAT | **GAMES** | **MINIS**

30
app opens per day[1]

30 Million
Snapchatters play
Games each month on average[2]
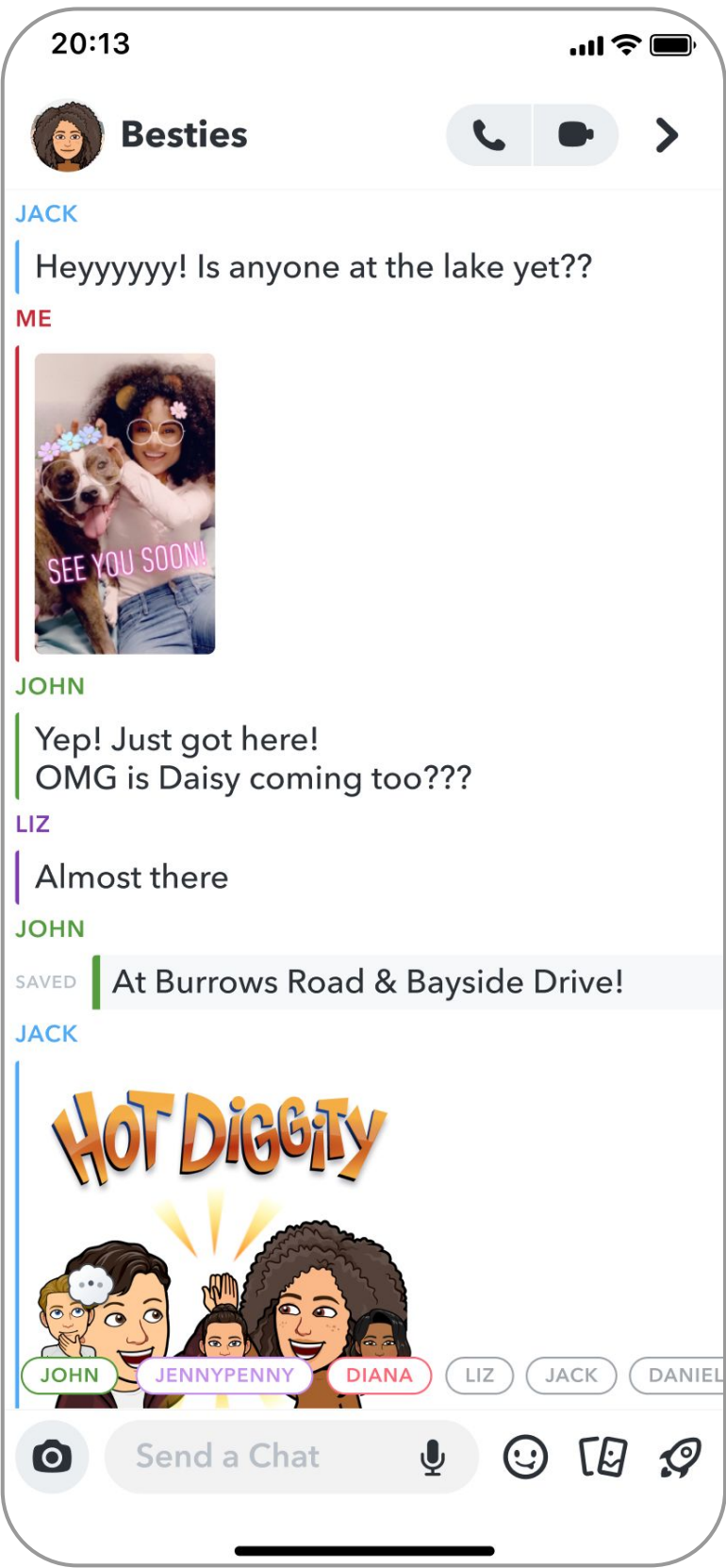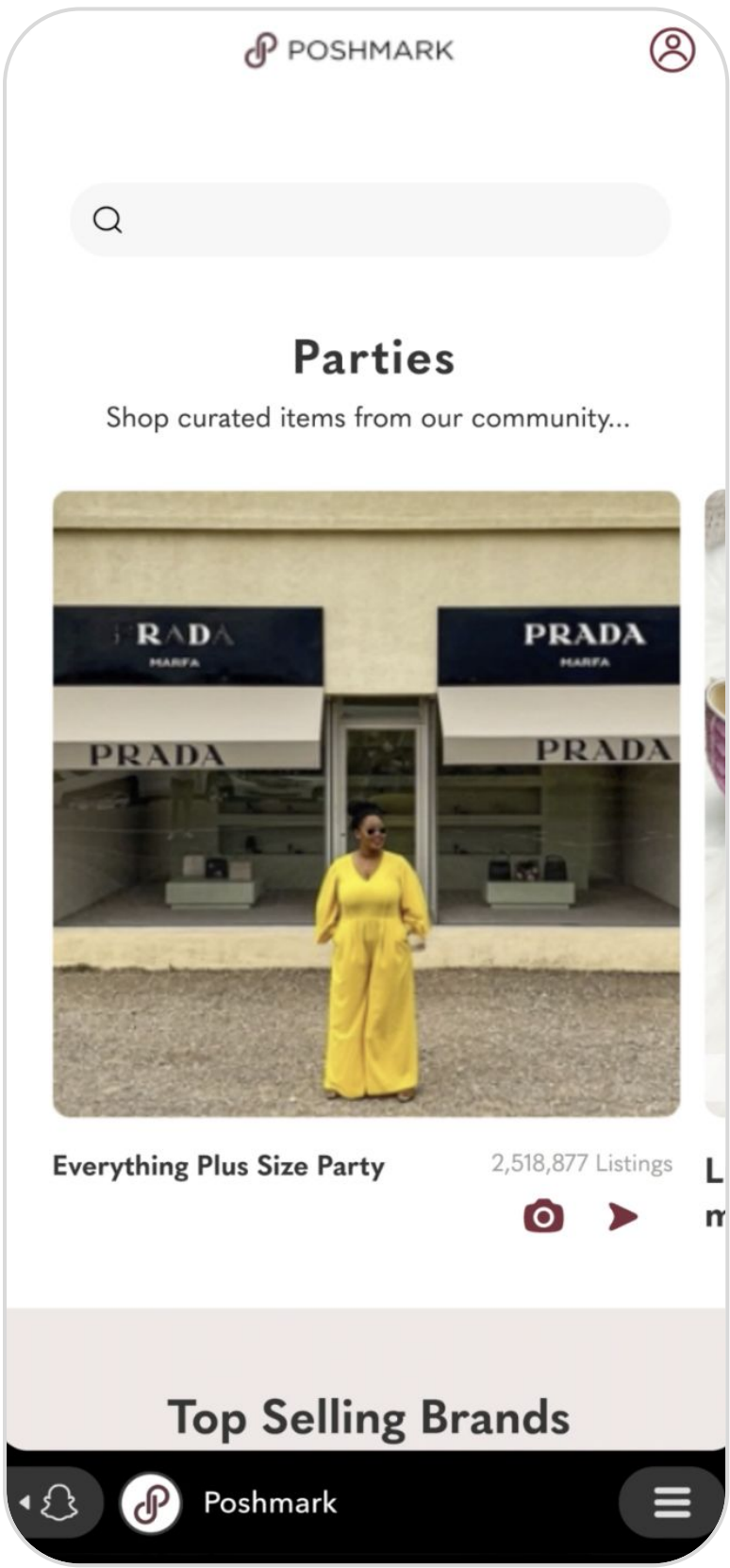
Stories

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

FRIEND STORIES

DISCOVER

170+ Channels

added internationally in Q2 2021

9 Partners

reached more than 30 million
Snapchatters in the US alone
in Q2 2021
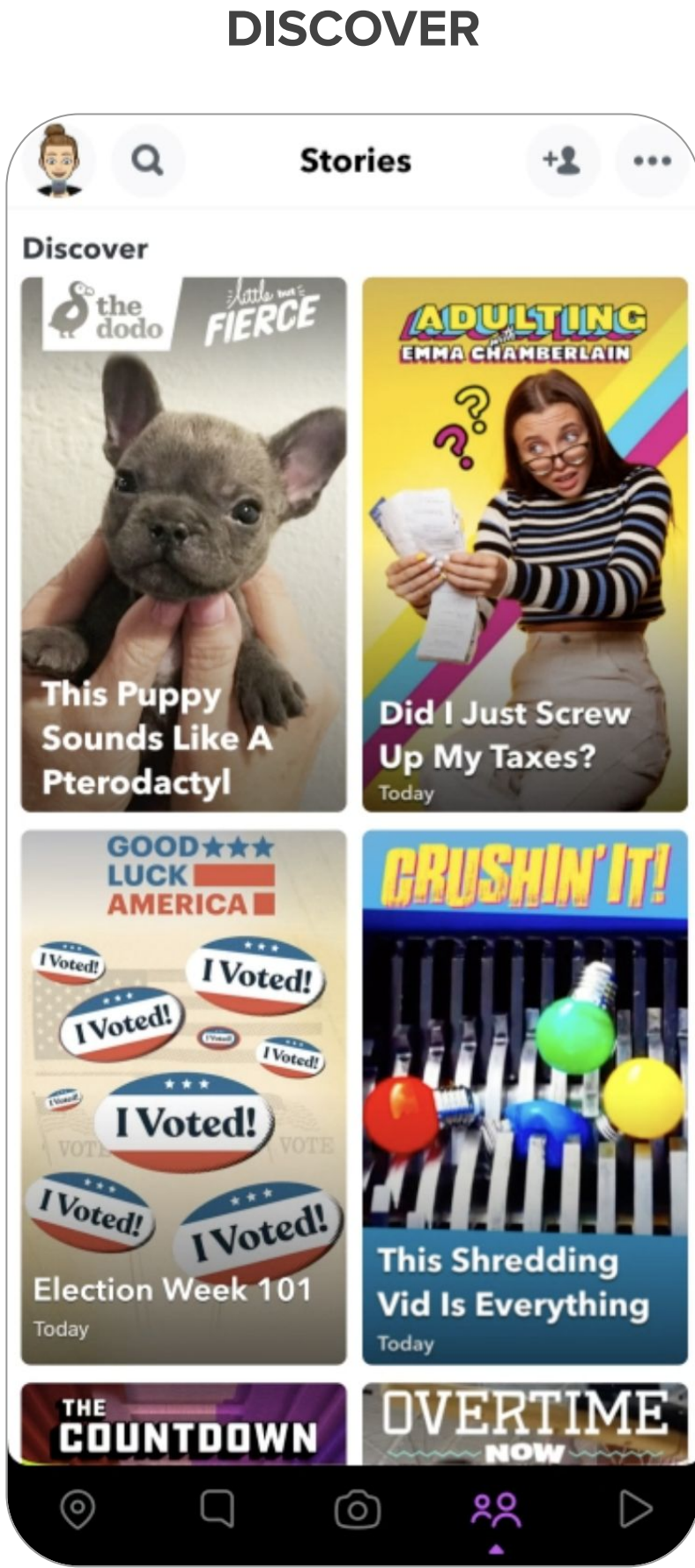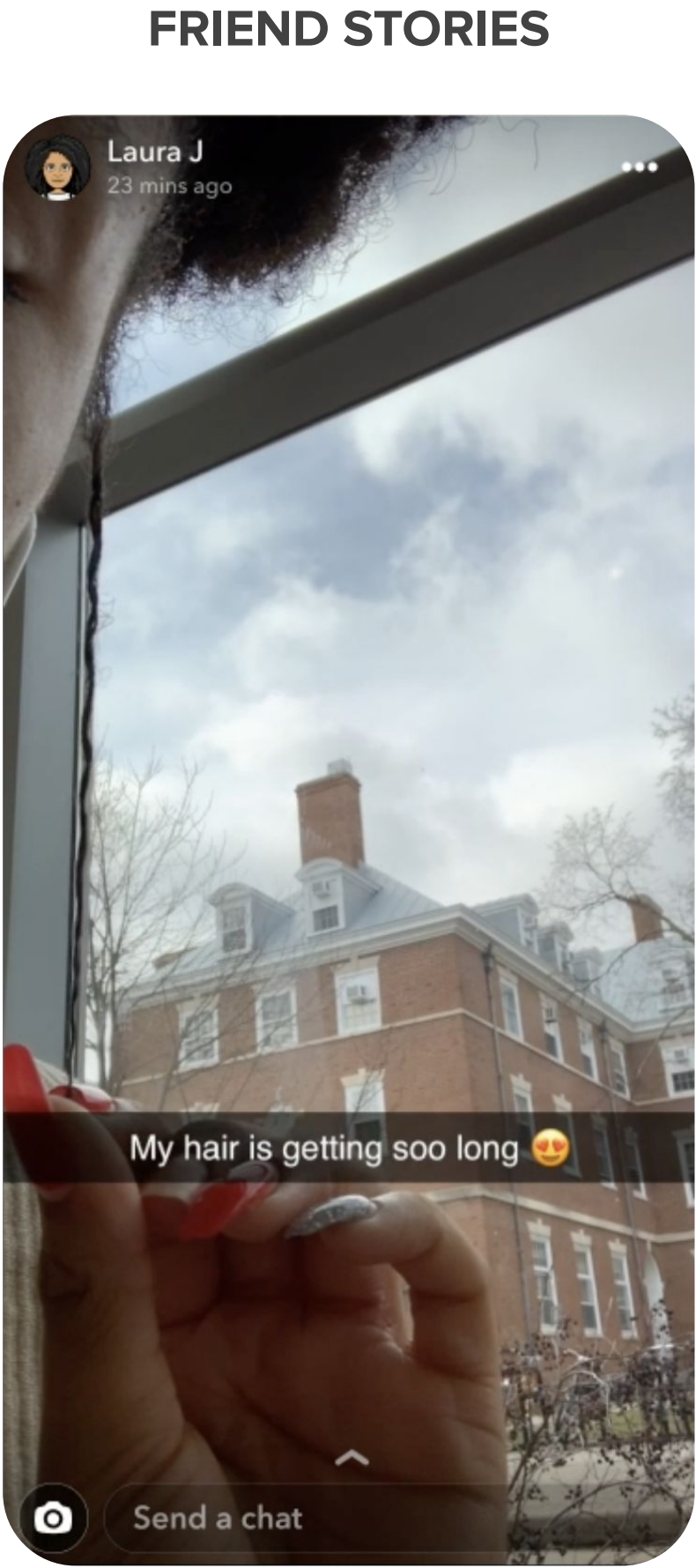
Snap Map

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

MAP

PLACES

LAYERS

250 Million+

Snapchatters use our Snap Map every month, allowing them to find the people and places that mean the most to them[1]

30 Million+

businesses on the Map for our community to discover[2]
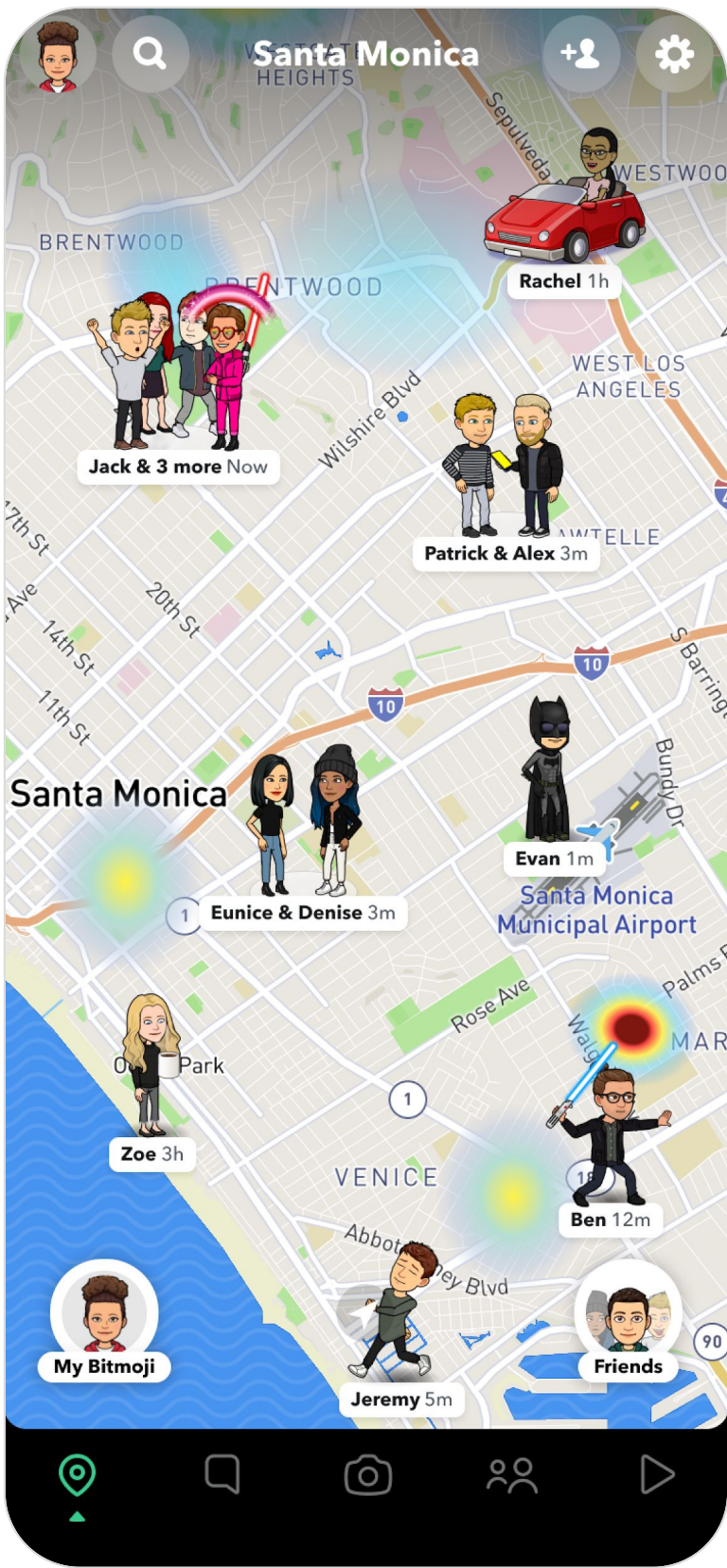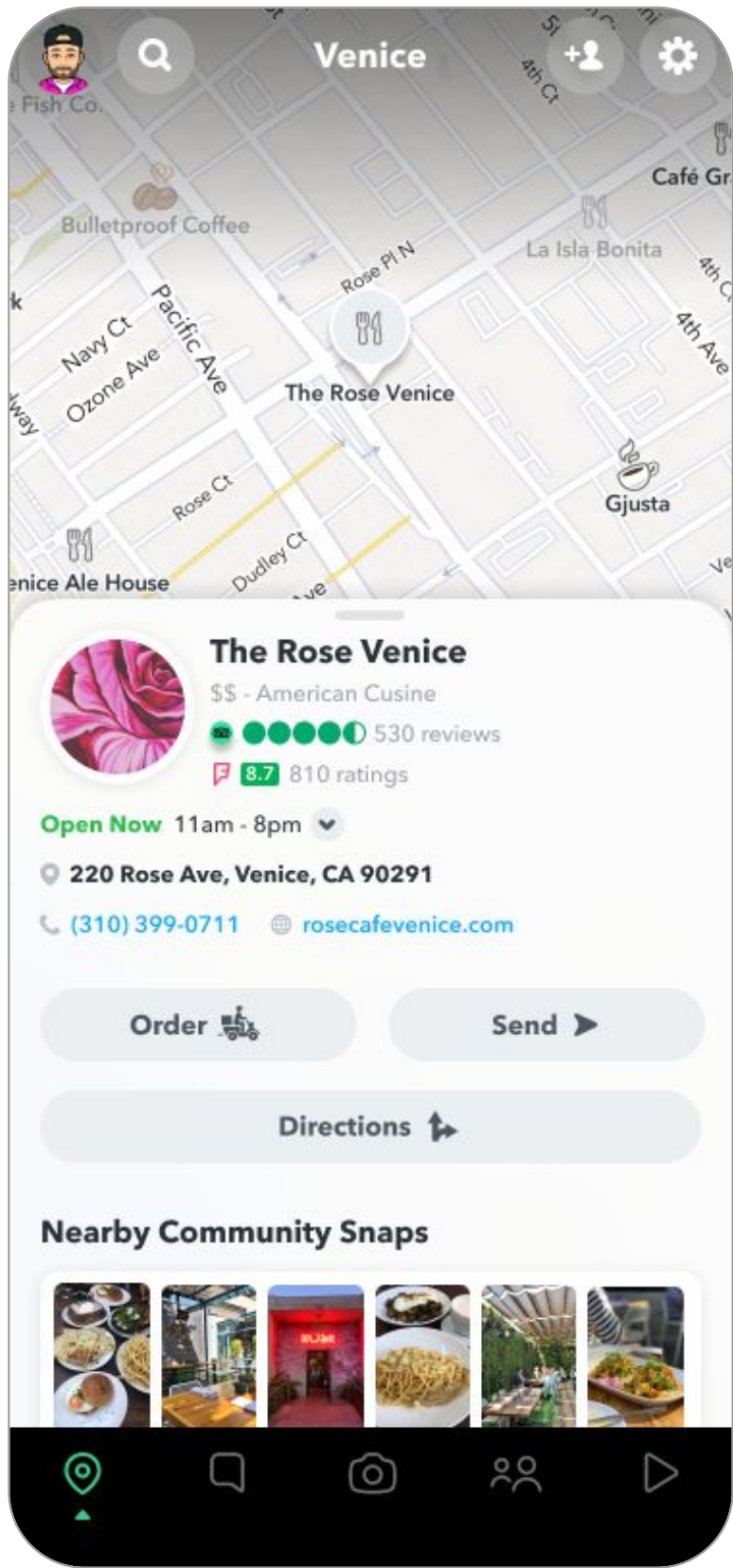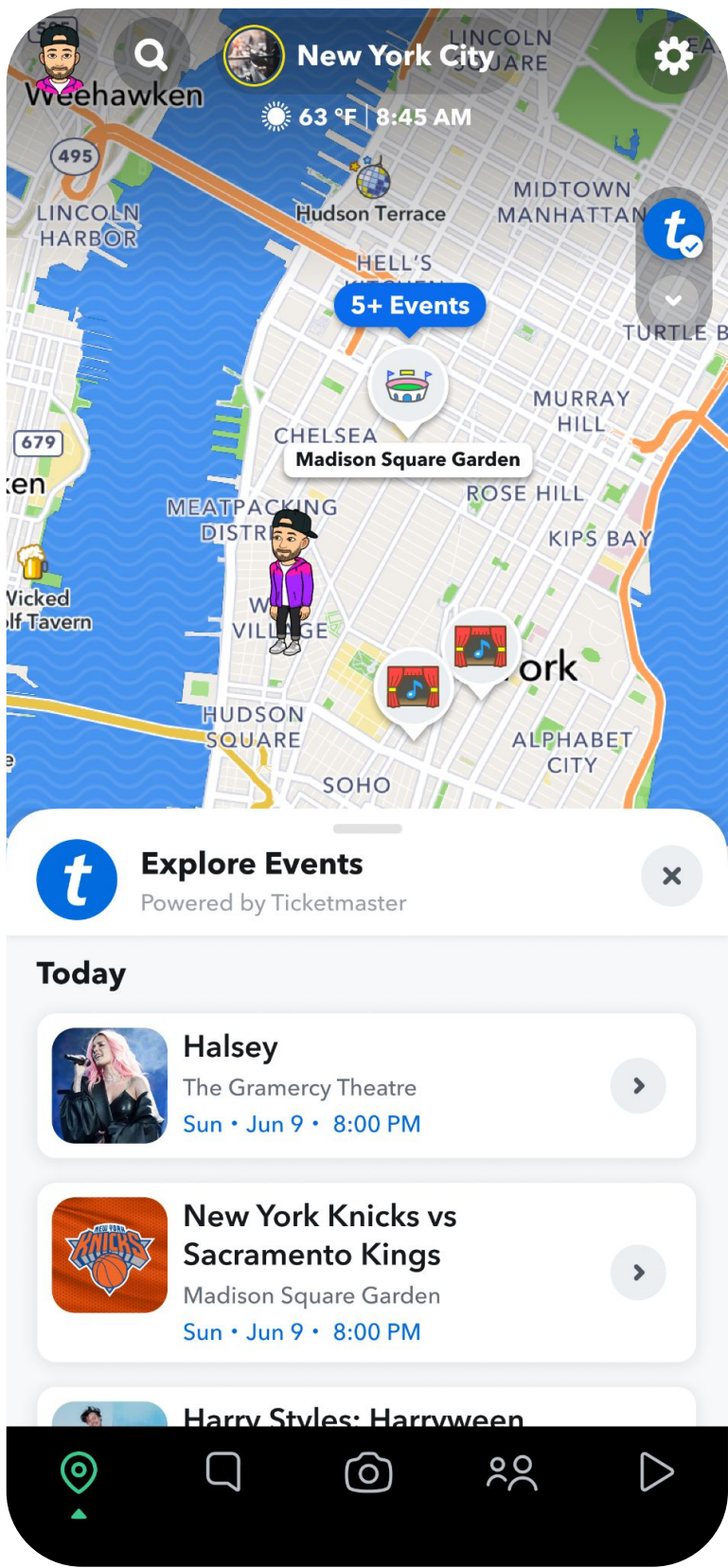
Spotlight

Spotlight surfaces the most entertaining Snaps created by our community and provides a destination to share user-generated content broadly on Snapchat, in alignment with our privacy by design approach.

49%

Growth in daily active users from the prior quarter

3x

Daily content submissions tripled from the prior quarter

Partner Ecosystem

Overview of Our Partner Ecosystem

Creators

Publishers

Developers

SPOTLIGHT

CAMERA / AR
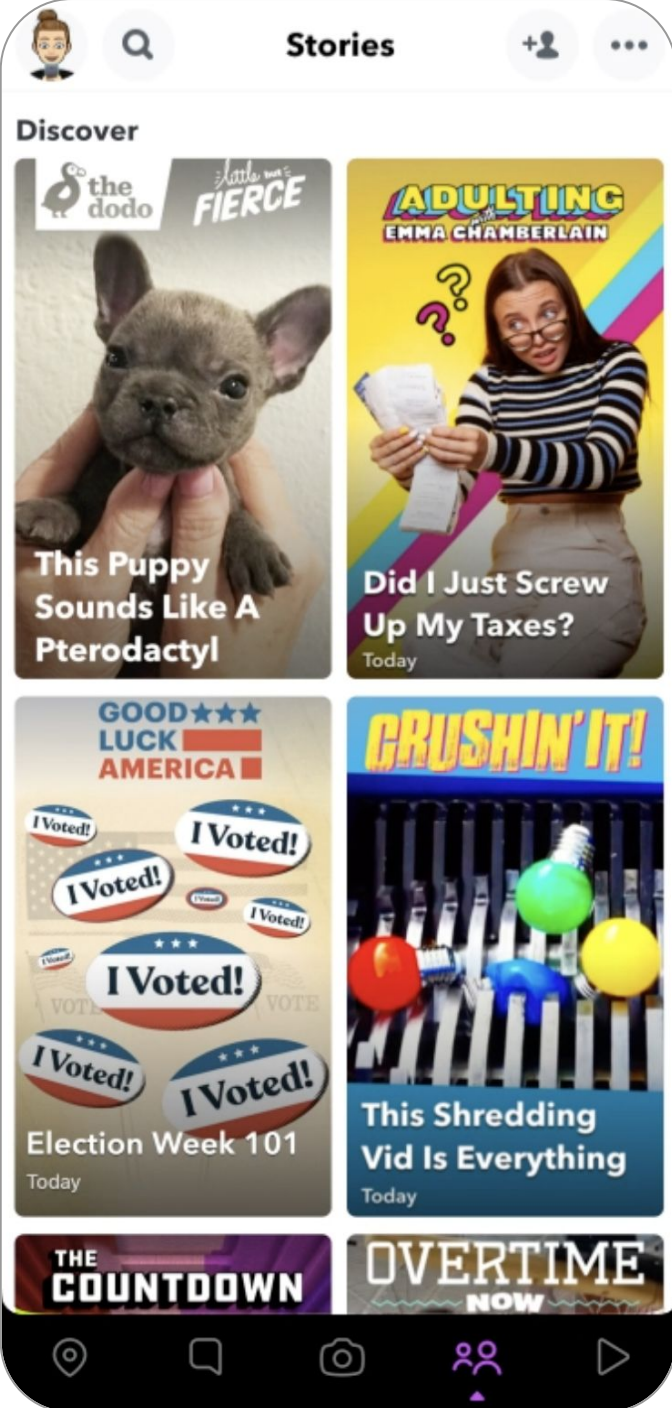
DISCOVER

SNAP KIT

GAMES
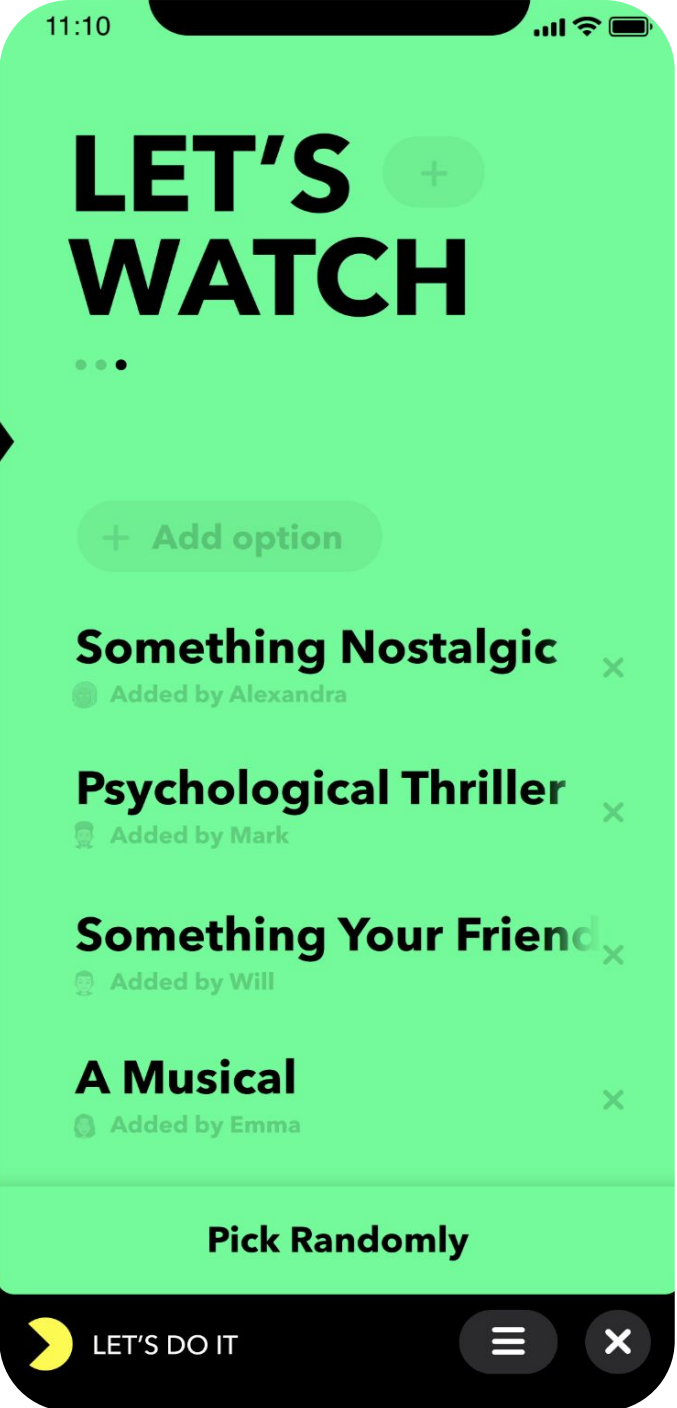
MINIS

AR Creator Community

Our AR community is made up of creators from over 200 countries and territories
who create a wide variety of AR experiences across different geographies and cultures.[1]

200K+

Lens creators[1] have
used Lens Studio

2 Million+

Lenses made by
our community[1]

1. Snap Inc. internal data as of June 30, 2021.

Lens Studio: AR Creator Platform

We provide the same tools used internally to develop AR lenses to our broader creator community in the form of Lens Studio, an easy to use yet incredibly powerful AR development platform.

Lens Studio features simple templates of 3D models, materials, scripts, and presets to help creators build Lenses.

V4.0 introduced 3D body mesh, advanced cloth simulation, Connected Lenses, visual classification, audio capabilities for Snap ML, and other features.

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.
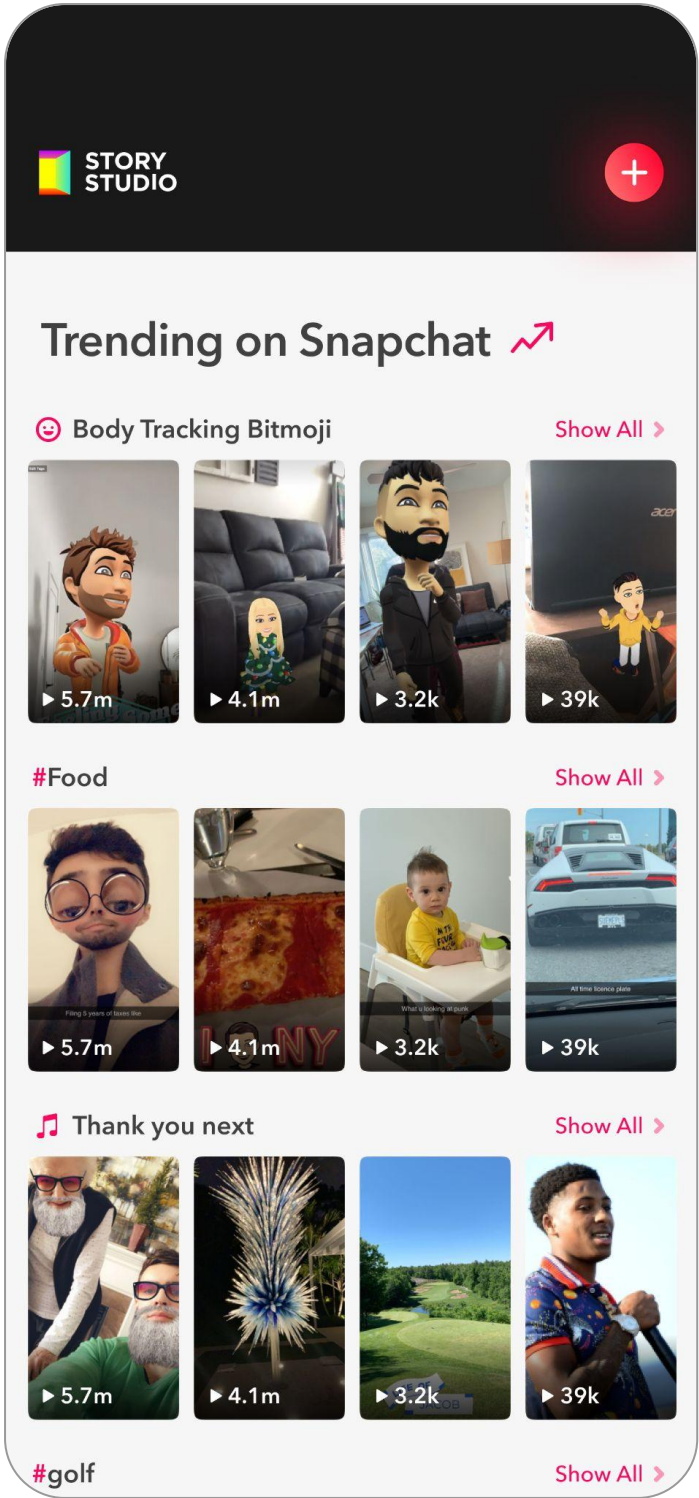
Story Studio
Suite of editing tools for Creators to make professional content and stay on top of what's trending.
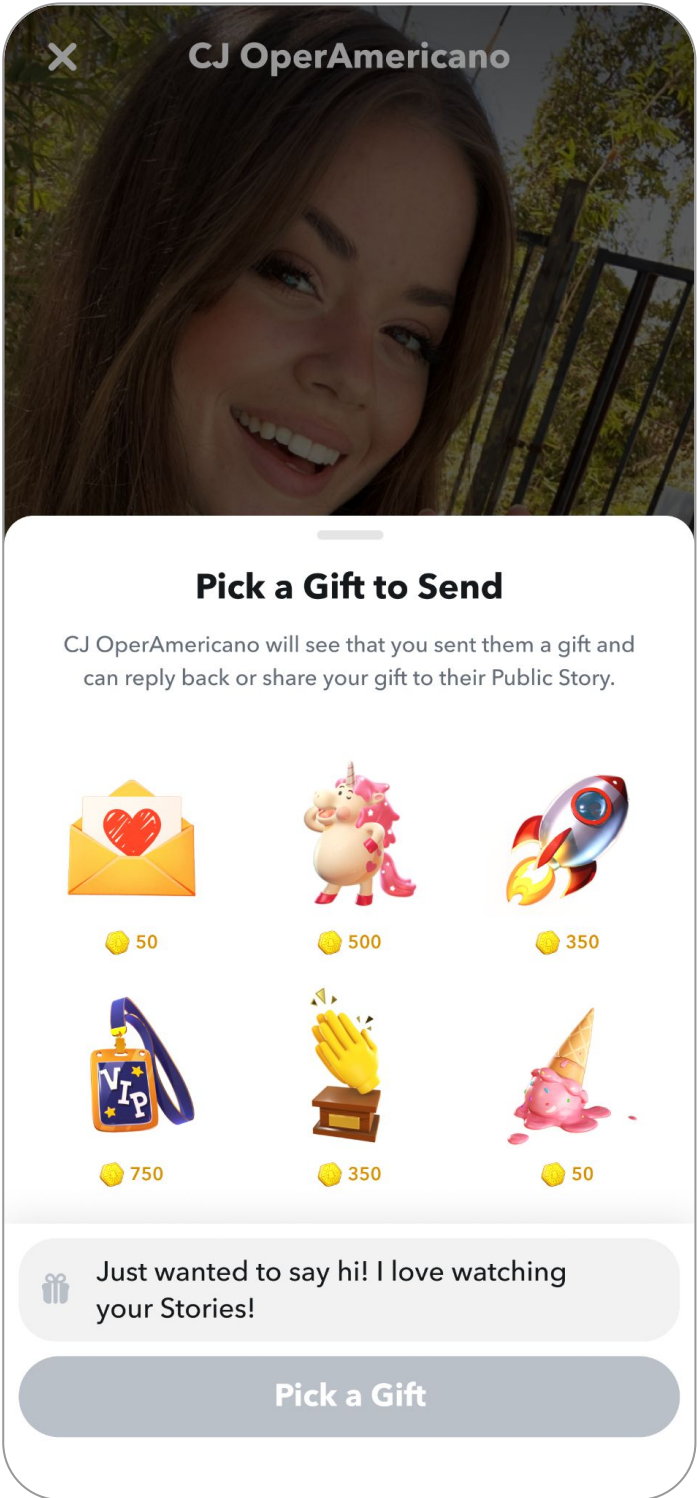
Gifting
Monetization platform between Creators and fans.
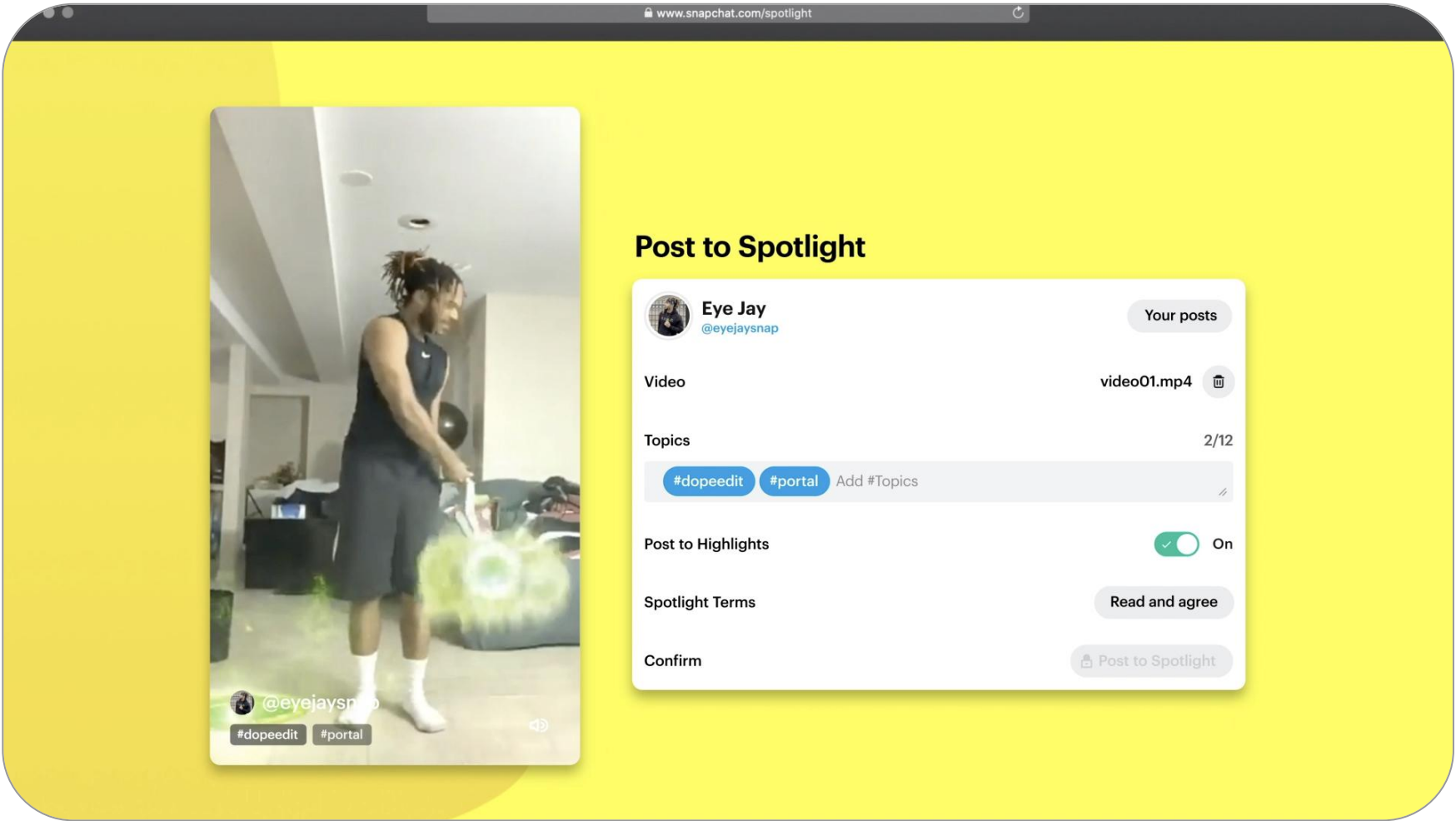
Spotlight on the Web
Destination for Spotlight Snaps on the web, uploaded from desktop.

Publisher Partners

Discover features content from over 500 hand-selected partners in 17 countries around the world[1]
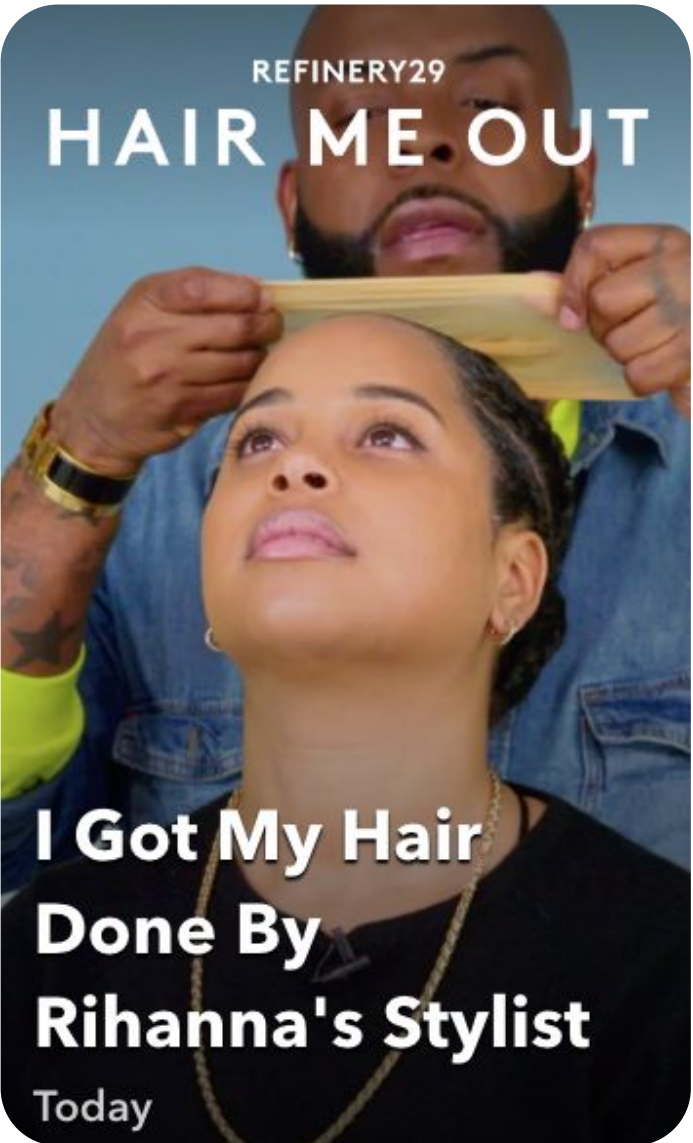
BEAUTY

75 Million+

Snapchatters watched Beauty publisher and show content each month on average.[2]

SPORTS

85 Million+

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

ENTERTAINMENT

120 Million+

Snapchatters watched publisher and show content from internet creators.[2]
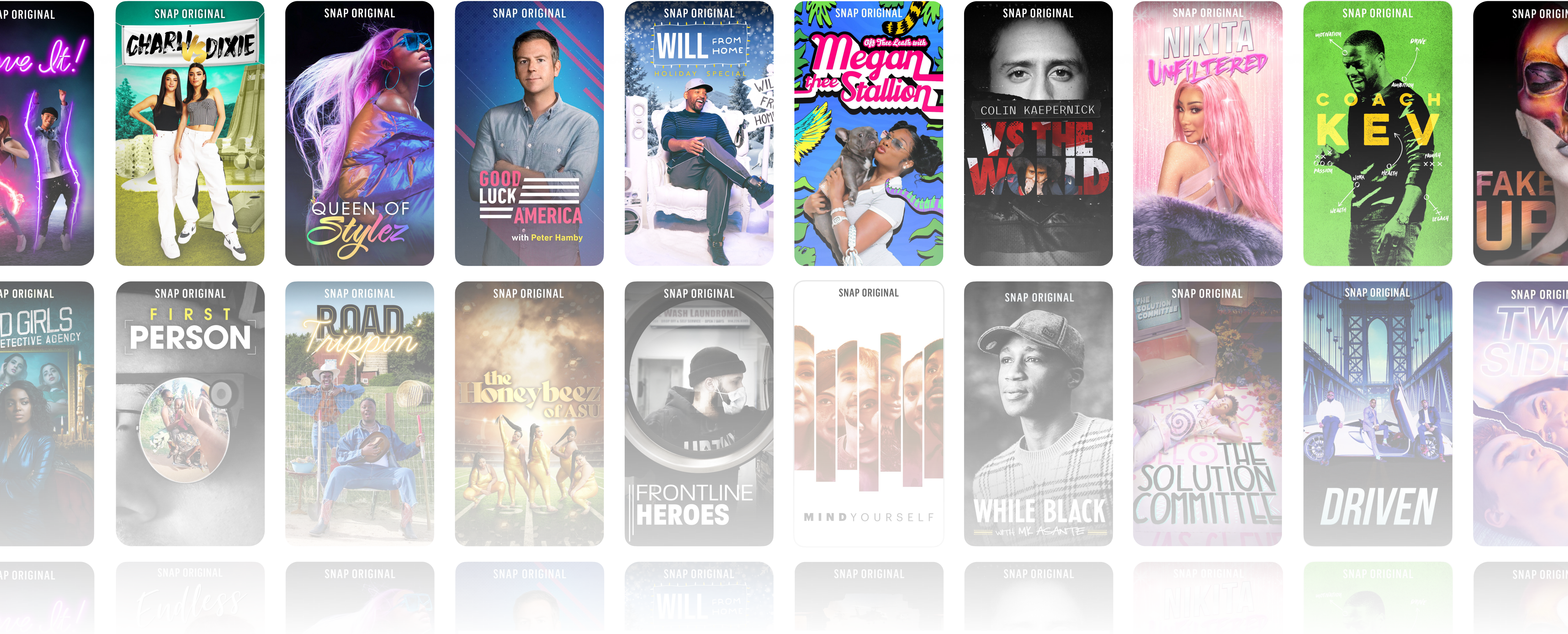
High Quality, Award-Winning Content Made for Mobile

130+ Snap Original Series Launched to Date With 65+ Partners

Snap Inc. internal data as of June 30, 2021.

Snap Kit

Over 1,000 apps have integrated with Snap Kit across our seven Kits:
Camera Kit, Creative Kit, Bitmoji Kit, Login Kit, Ad Kit, Sticker Kit and Story Kit.

Camera KIT

Extends reach of AR tech and lens creator community to partners' apps.

Creative KIT

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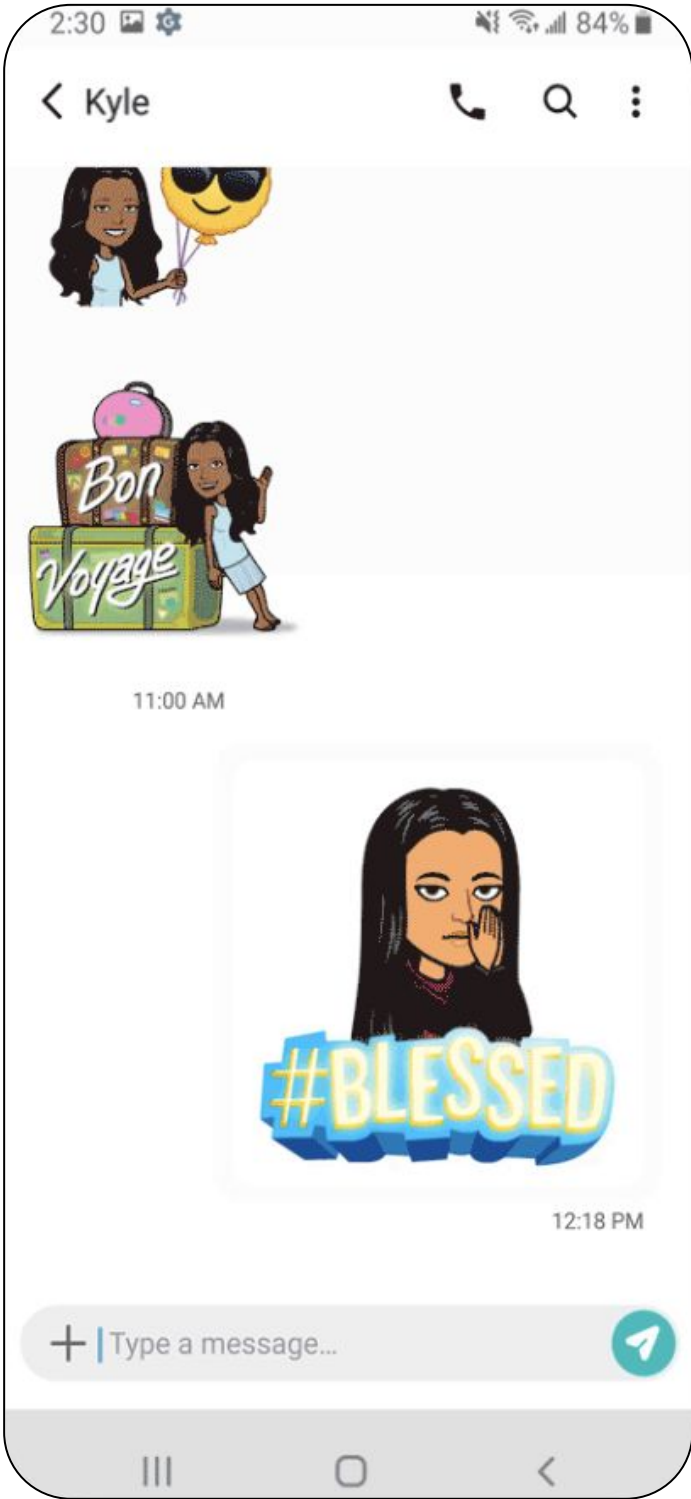
Bitmoji KIT

Allows developer partners to add Bitmoji sticker library to their app or keyboard.

Snap Inc.

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.[1]

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.[2]

1.4X

The Snapchat Generation is 1.4X more likely than non-Snapchatters to gravitate to immersive video & mobile games, including AR experiences.[3]

Why This Age Range Is Critical

Common milestones in a person's life between the ages of 13 and 34.

First Car

Moves Out

Starts Career

Develops Brand Loyalty

Starts Family

13 Years

34 Years

Graduates

First Credit Card

Vacations Alone

Gets Married

Buys First Home
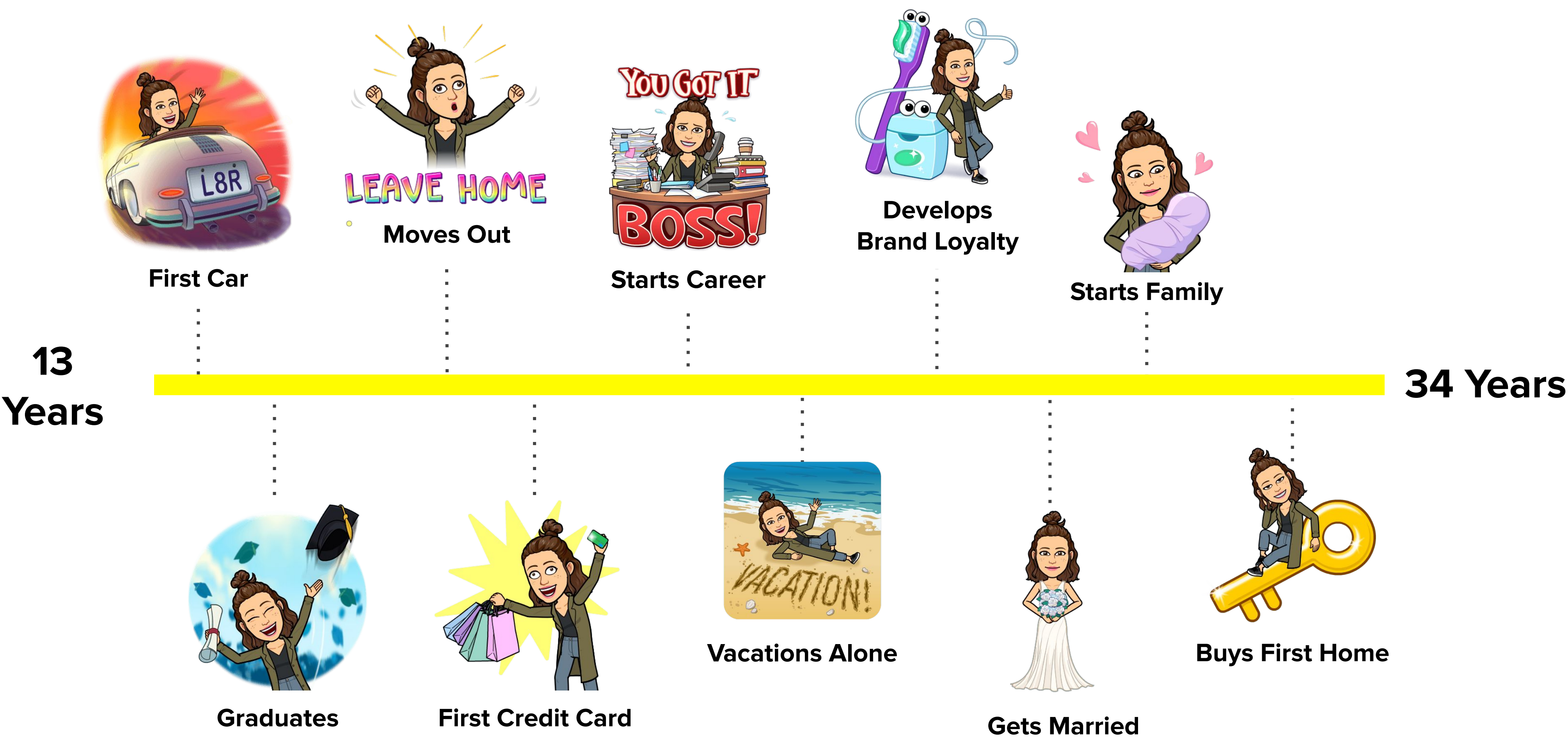
Deep Domain Expertise in Key Enterprise Verticals

Creative Ad Formats That Deliver Results
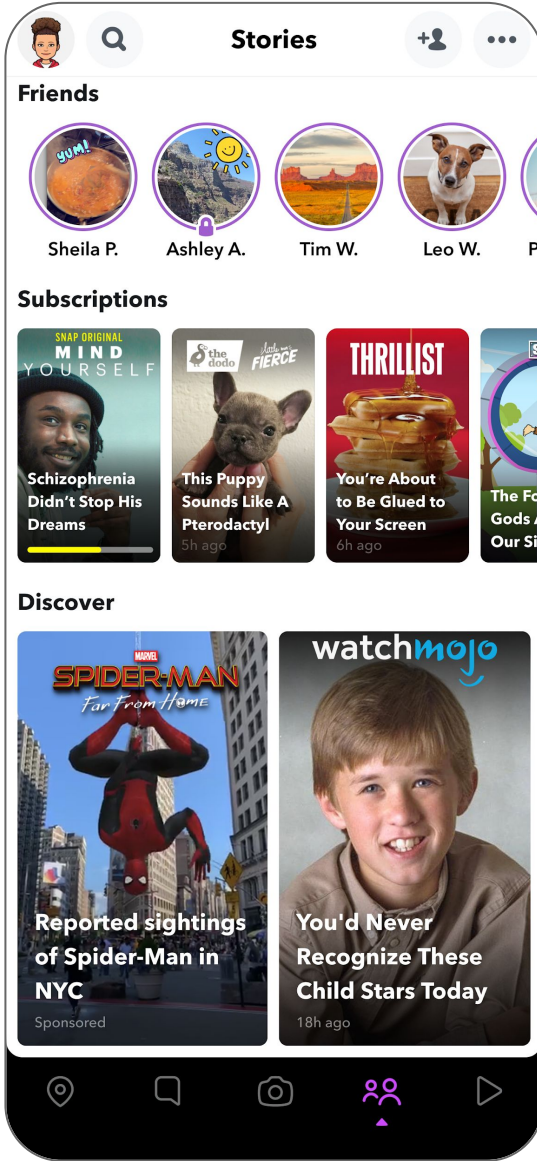

In-Camera

Video

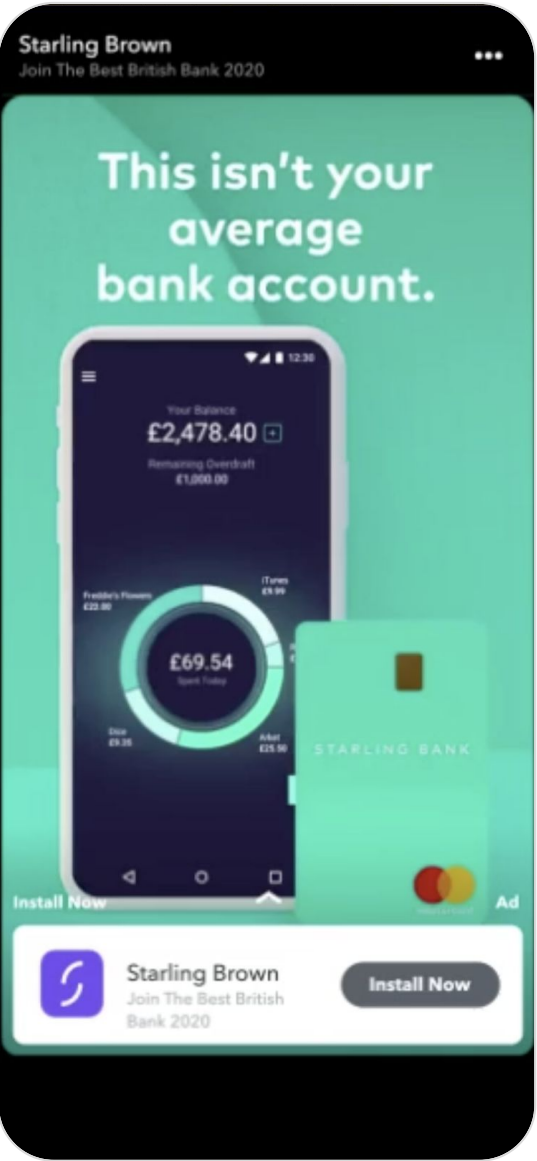**AR Lenses Experiences**

Filters

Commercials
(:06 Forced View)

Story Ads
(Series of 3–20 Snaps)

Collection Ads

Snap Ad With App Install
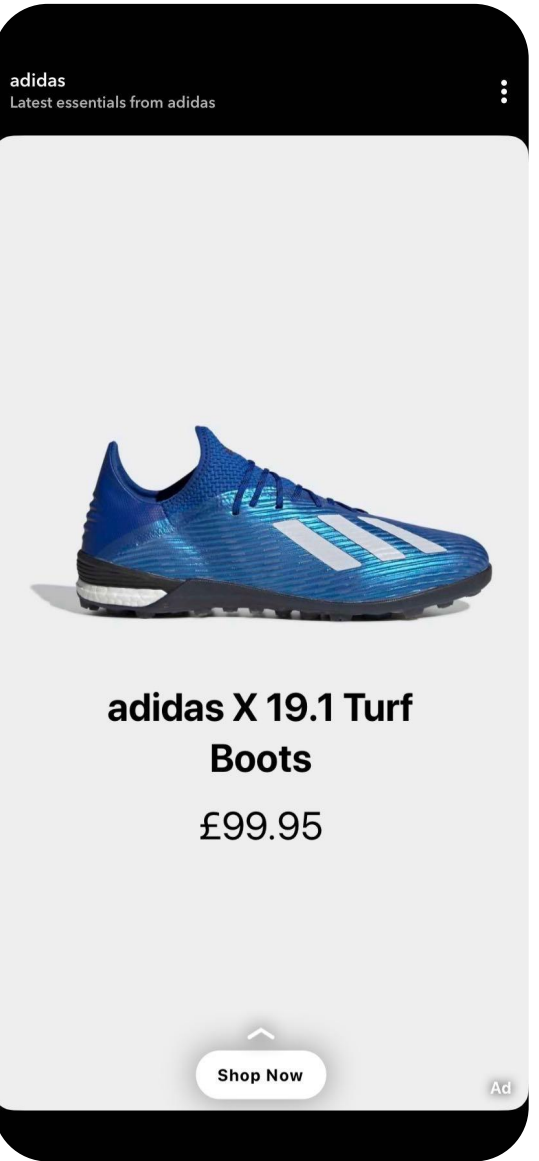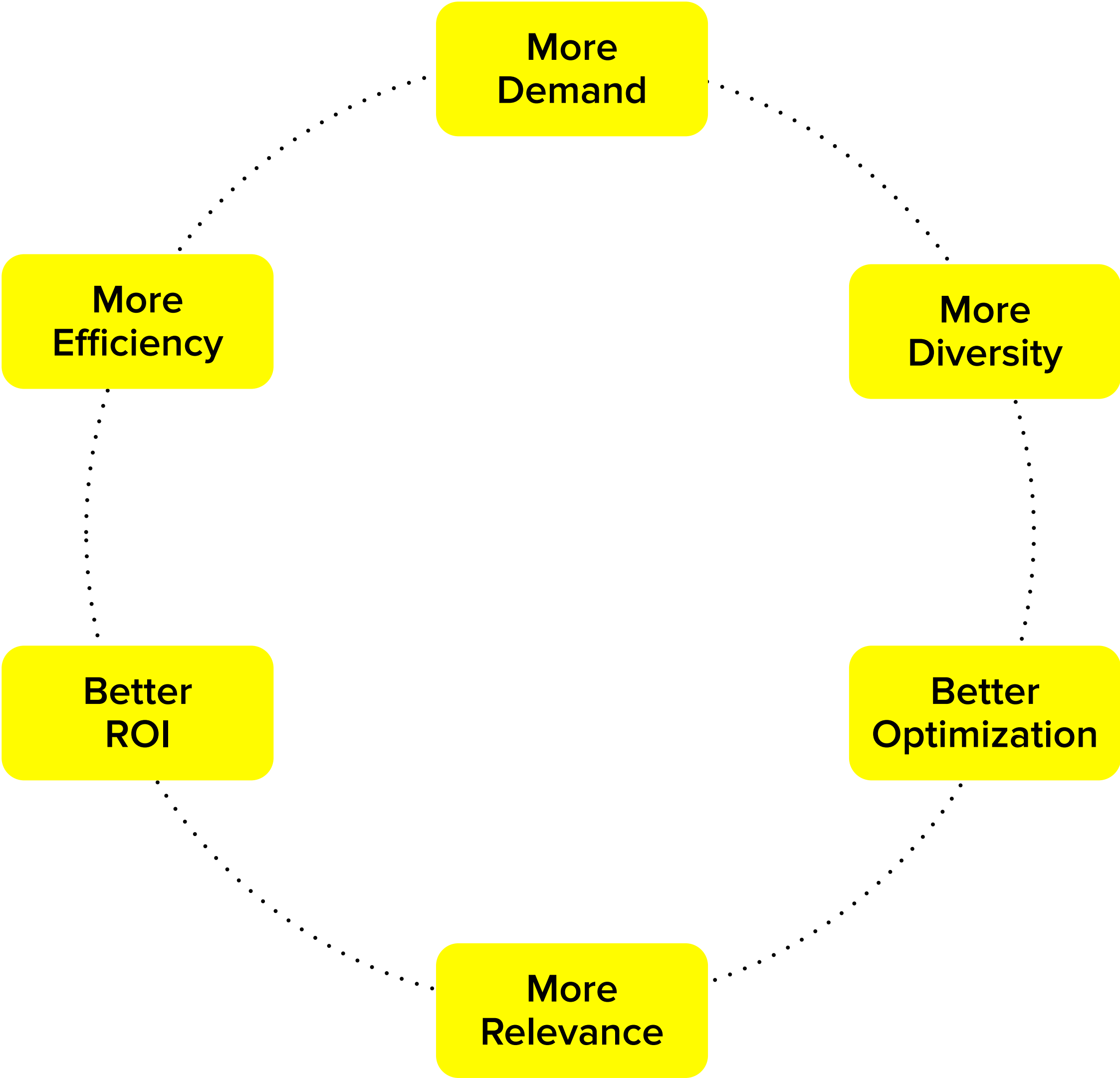
Dynamic Product Ads

A Sophisticated Ad Platform

Timeline

2011–2015: Snap Ads, Discover, Snapcodes, Sponsored Geofilters, Sponsored Lenses

2016: OS/Carrier Targeting, Ads API, 3P Resonance Measurement, Lookalikes, On-Demand Geofilters, Spectacles, Group Chat

2017: Story Ads, Lens Studio to Ads Manager, GBB App Install, GBB Video View, Snap Pixel, Audience Lenses & Filter, Snap Publisher, Ads Manager

2018: Commercials, Delivery Insights, Premium Content Targeting, Advanced Location Targeting, Conversion Lift, Reach & Frequency, AR in Self Serve, Snappables, Collection Ads, GBB for conversions, Product Catalogs

2019: Dynamic Ads, Target Cost Bidding, Bulk Editing, Cloning, Uploading, Snap Select, Instant Create, Snap Audience Network, Logos in Scan, Swipe up Commercials, Direct to Ticketing, Brand Marker Lens

2020: Platform Bursts, Brand Profiles, ROAS Bidding, Auction Forecasting, Behavior Insights, Trending on Snap, Local Ads, Snap Minis, Place Listings, Camera Kit, Scan

Feature Comparison

	Snap	Facebook	YouTube	Google	Twitter
Demographic Targeting	●	●	●	●	●
Interest-based Targeting	●	●	●	●	●
Location Targeting	●	●	●	●	●
Bulk CRUD Tools / Advanced Buy Flow	●	●	●	●	●
Scalable Ads API	●	●	●	●	●
Premium Content Targeting	●	●	●	●	●
Advanced Delivery Options (e.g., GBBs)	●	●	●	●	●
Audience and Delivery Insights	●	●	●	●	●
Reach and Frequency	●	●	○	○	○

The Advertiser Demand Flywheel

More
Demand

More
Diversity

More
Efficiency

Better
Optimization

Better
ROI

More
Relevance

What Advertisers Have To Say

Enterprise

"

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

Alex Sanger, EVP, Digital Marketing Strategy
Universal Pictures

"

Emerging

"

"We're not looking to just sell our product– we're really looking to build a proper emotional, intimate connection with the people on the other side of the screen. This vehicle format is perfect for that because we can get up close and personal."

Justin Gaggino, Second in Command
HiSmile

"

Agency

"

We recognize Snap as a full-funnel platform and AR is a conversion powerhouse, so we are working with our clients to develop a camera strategy across the purchase journey to futureproof their businesses.

Amy Lanzi, Executive Vice President/North America Lead
Publicis Commerce

"

Scaled Services

"

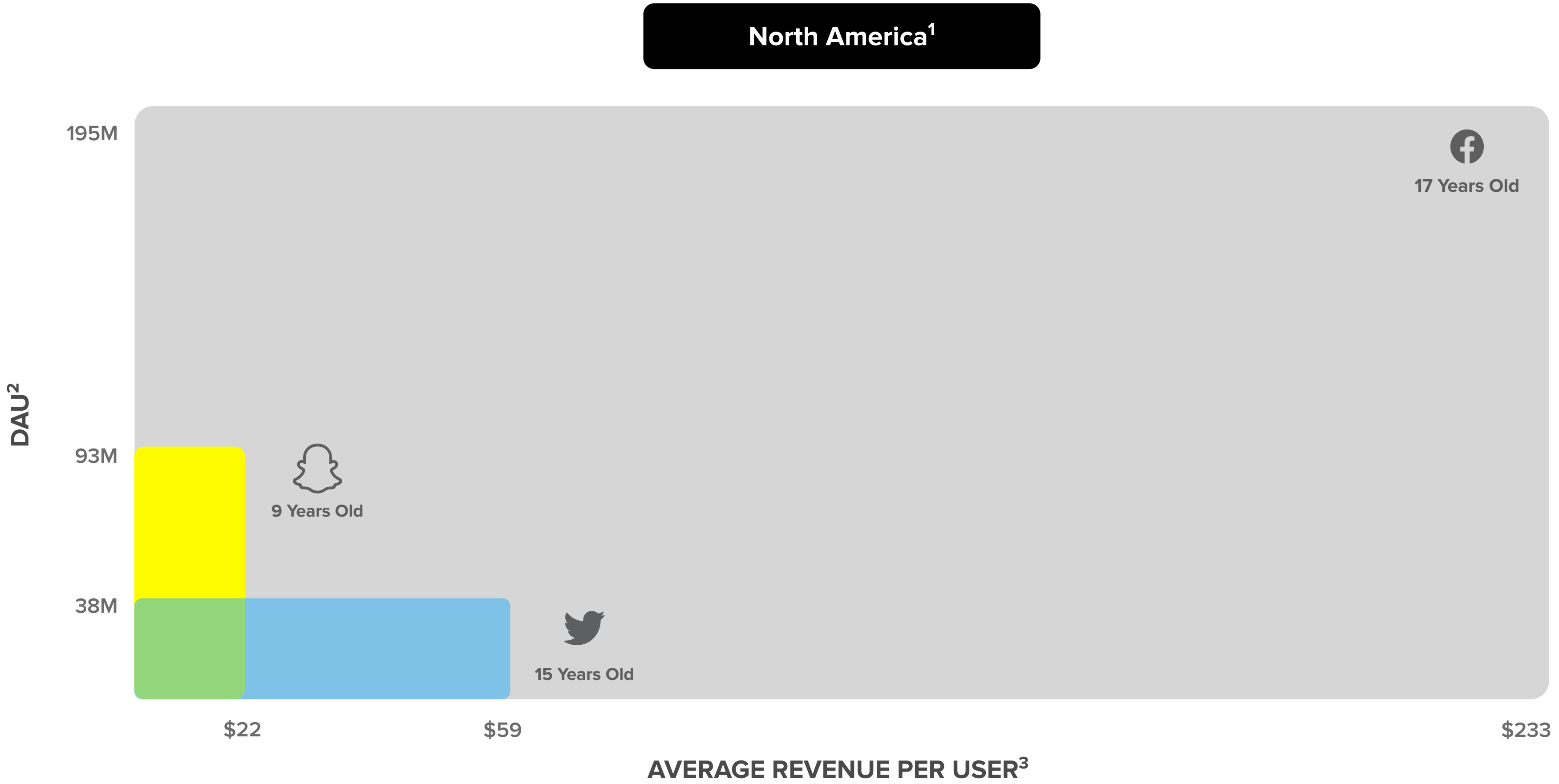*It has become the highest performing, highest ROI platform that we use and we absolutely love it.*

Alix Peabody, Founder & CEO
Bev

"

Our ARPU Opportunity

Significant DAU and ARPU Opportunity

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

North America[1]

DAU[2]

195M

93M

38M

17 Years Old

9 Years Old

15 Years Old

$22 — $59 — $233

AVERAGE REVENUE PER USER[3]

Comparison is illustrative as each Company calculates daily active users differently.
1. Snap Inc. includes the U.S., Canada, Mexico, the Caribbean, and Central America. Facebook includes the U.S. and Canada only. Twitter includes the U.S. only.
2. Snap Inc. internal data for Q1 2021 as compared to publicly reported Facebook and Twitter data for Q1 2021. We define a Daily Active User as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. Twitter's monetizable Daily Active Users are shown and is defined by the Company as people, organizations, or other accounts who logged in or were otherwise authenticated and accessed Twitter on any given day through twitter.com or Twitter applications that are able to show ads. Facebook defines Daily Active Users based on user activity only on Facebook and Messenger and not on the Company's other products.
3. Snap Inc. internal data for Q2 2020 - Q1 2021 as compared to publicly reported Facebook and Twitter data for Q2 2020 - Q1 2021. We define ARPU as quarterly revenue divided by the average Daily Active Users. Twitter's ARPU is calculated as quarterly revenue divided by the average monetizable Daily Active Users. Facebook's ARPU is calculated as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. See Snap. Inc. public filings with the SEC.

Snap Inc.

Opportunity To Expand Our Market Share

Snapchat comprises *less than 2%* of the US digital ad market[1]
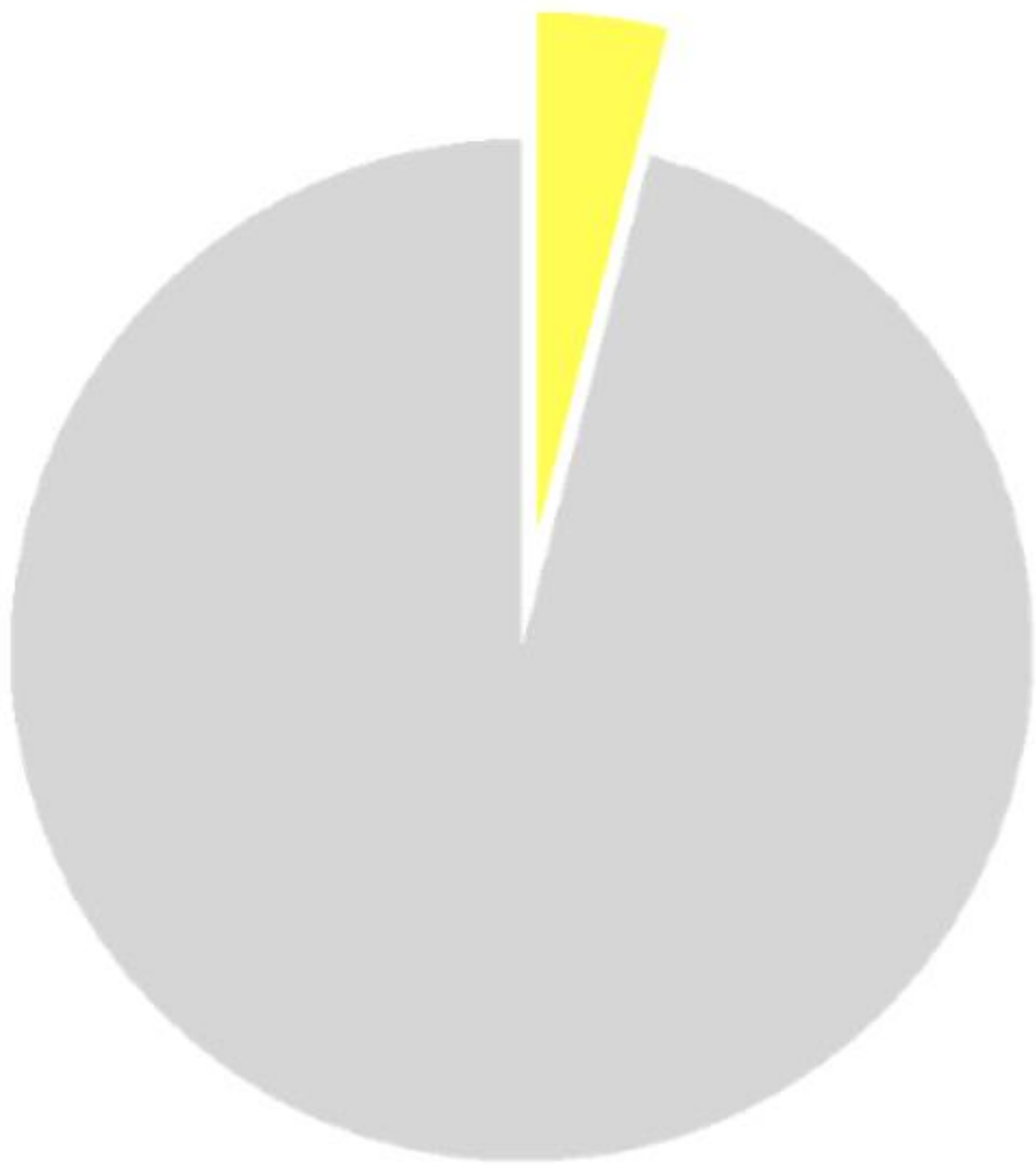
yet *reaches nearly half* of US smartphone users[2]
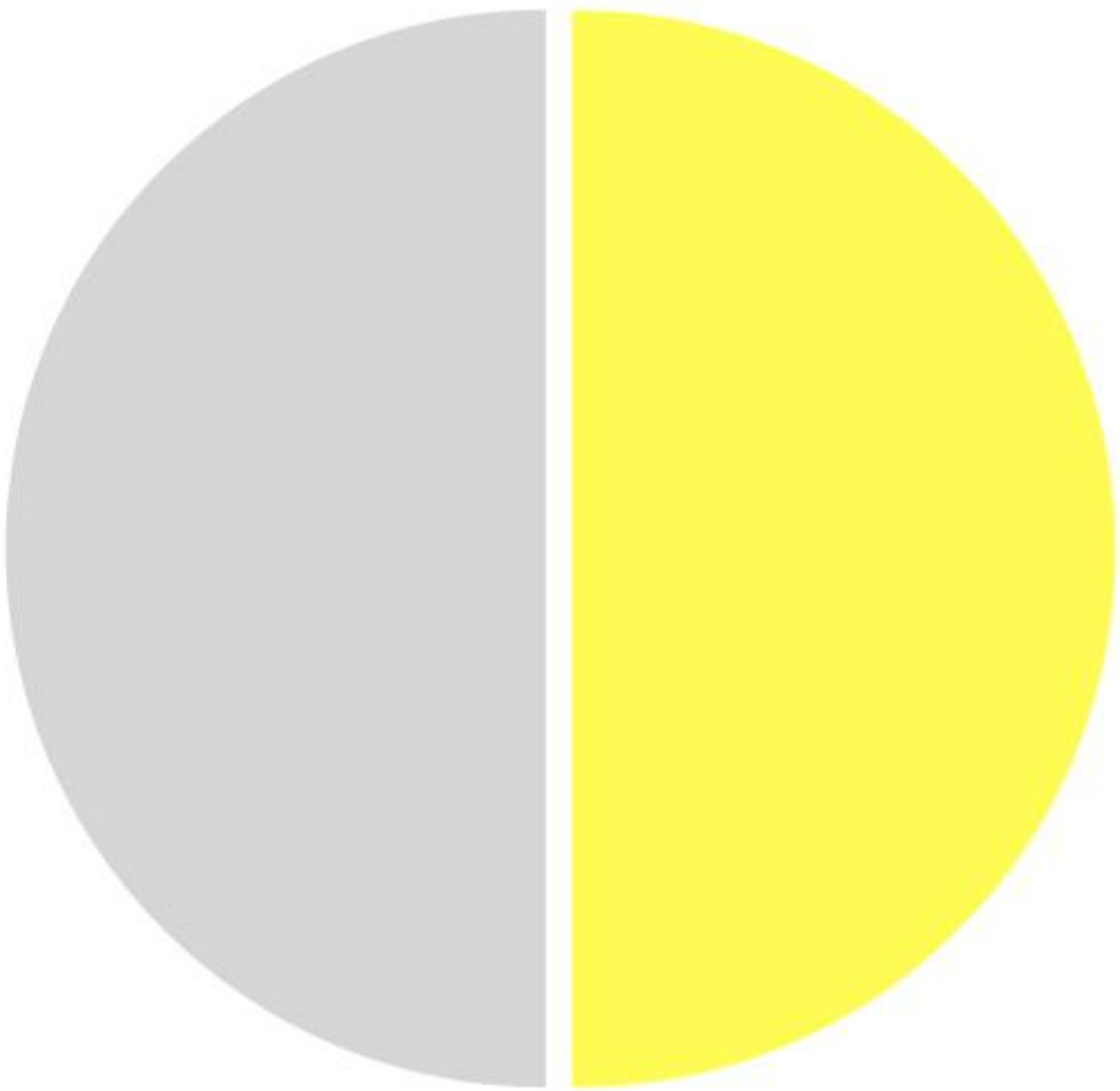
Snapchat reaches **70%+** of 13-34 year olds in countries comprising **over half** the world's digital ad spend
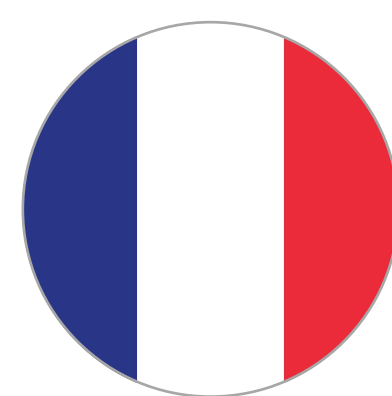
U.S. U.K. Australia Canada France Netherlands
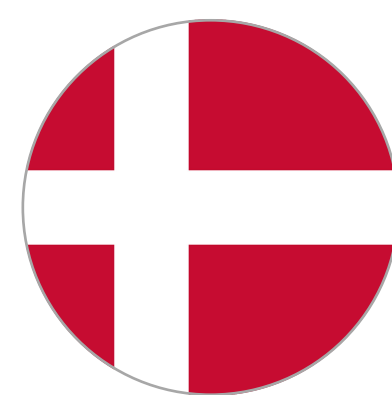
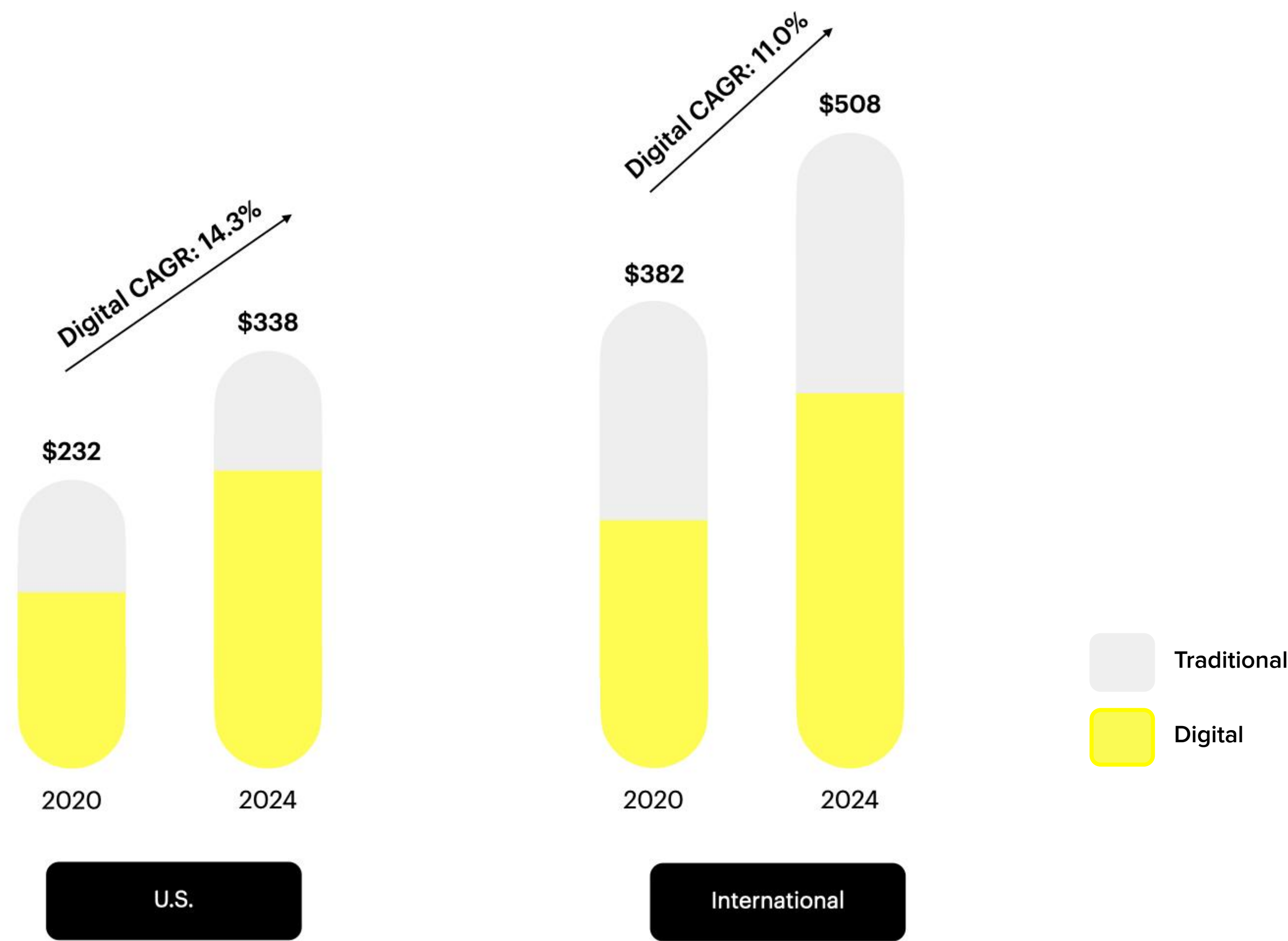Sweden Norway Saudi Arabia Ireland Denmark Luxembourg

Snap Inc. internal data Q4 2020. Penetration calculated as MAU divided by 2020 population estimates, per United Nations World Population Prospects, 2019.
eMarketer estimates, October 2020.

Advertising Industry Is Moving in Our Direction

Expected growth in advertising market, combined with a secular shift toward Digital

Traditional

Digital

AR Builds Consumer Confidence

Over half of Snapchatter shoppers agree that AR gives
them more confidence about product quality.[1]

Over half

of people want to use AR
technology to assess products,
allowing for a risk free, "try-before
you buy", experience.[2]

Returns are a $550 billion
problem, which AR can help fix.
AR-guided purchases led to a
25% decrease in returns.[3]
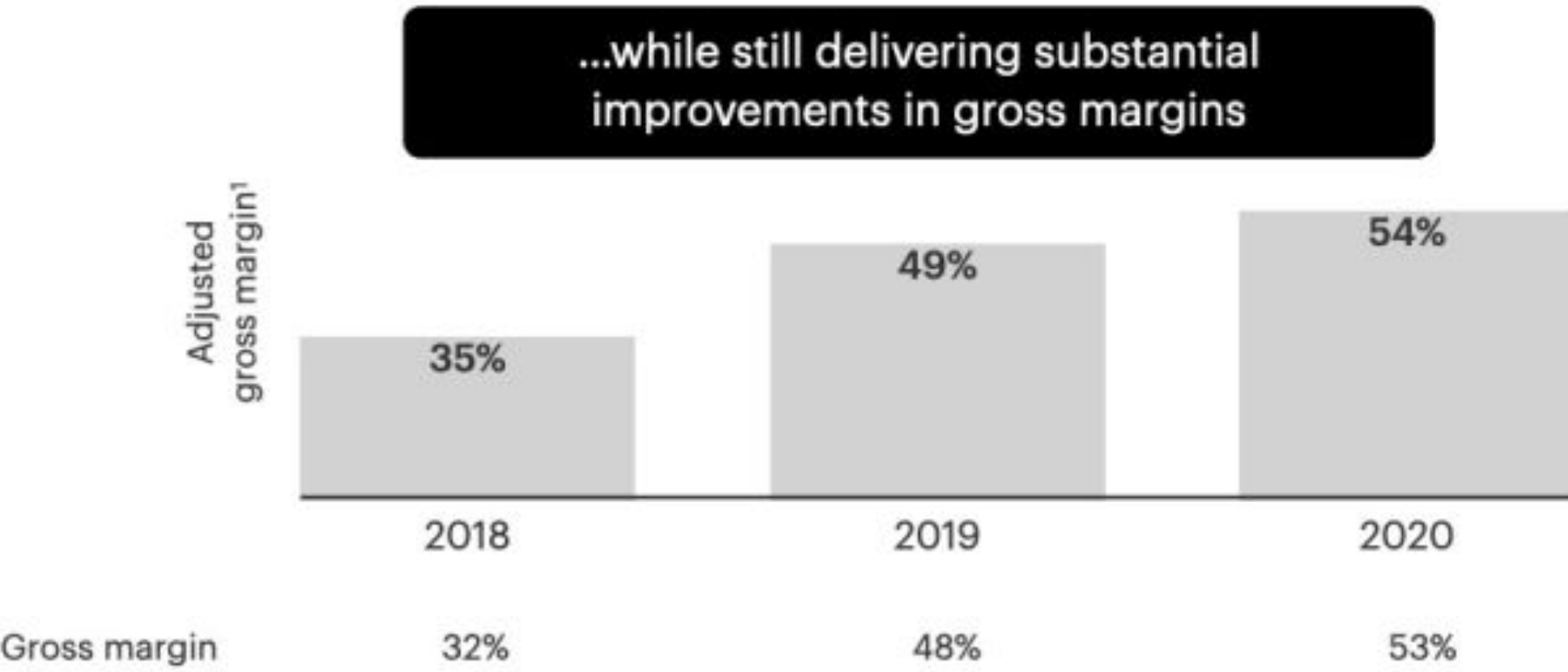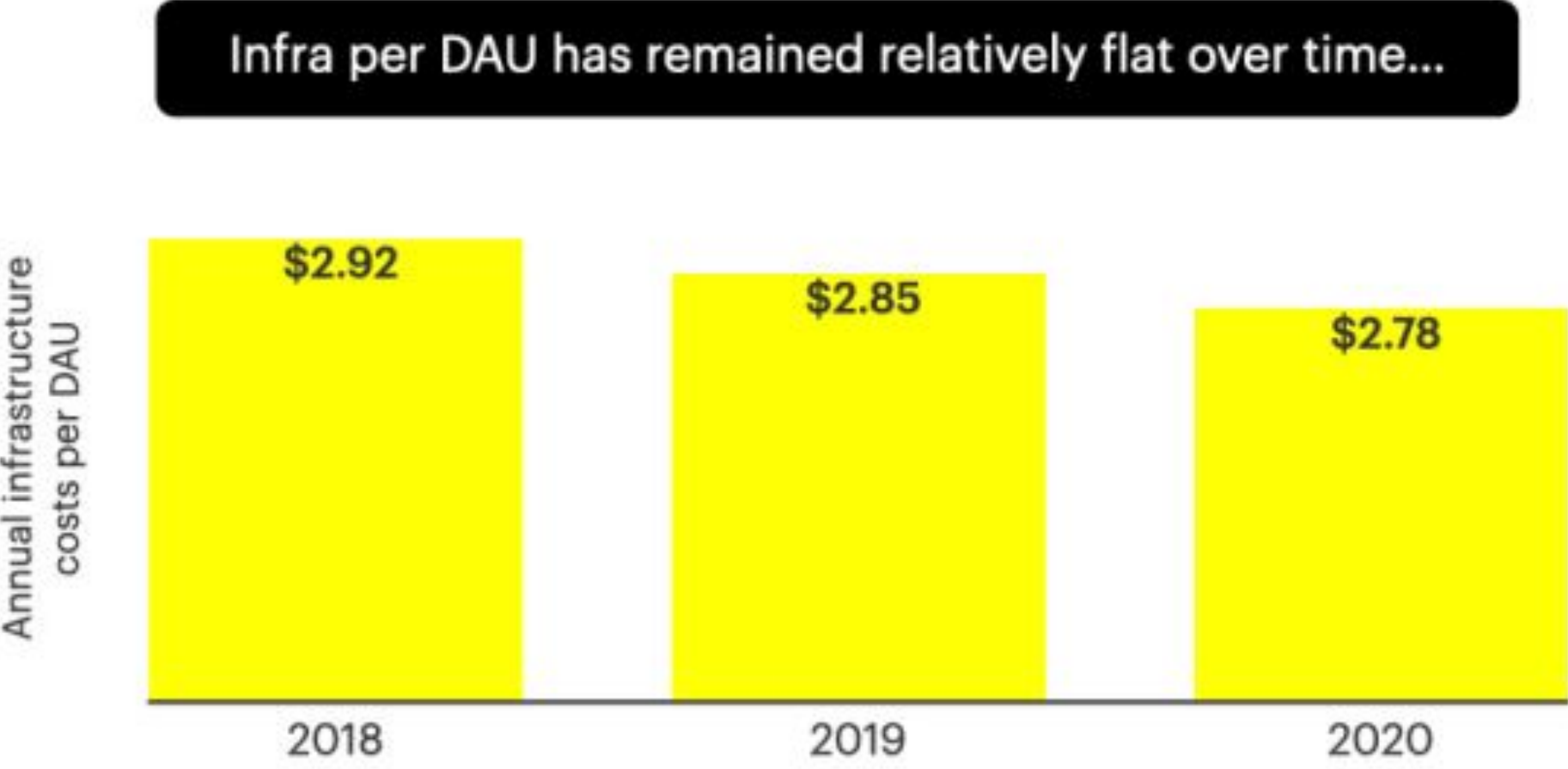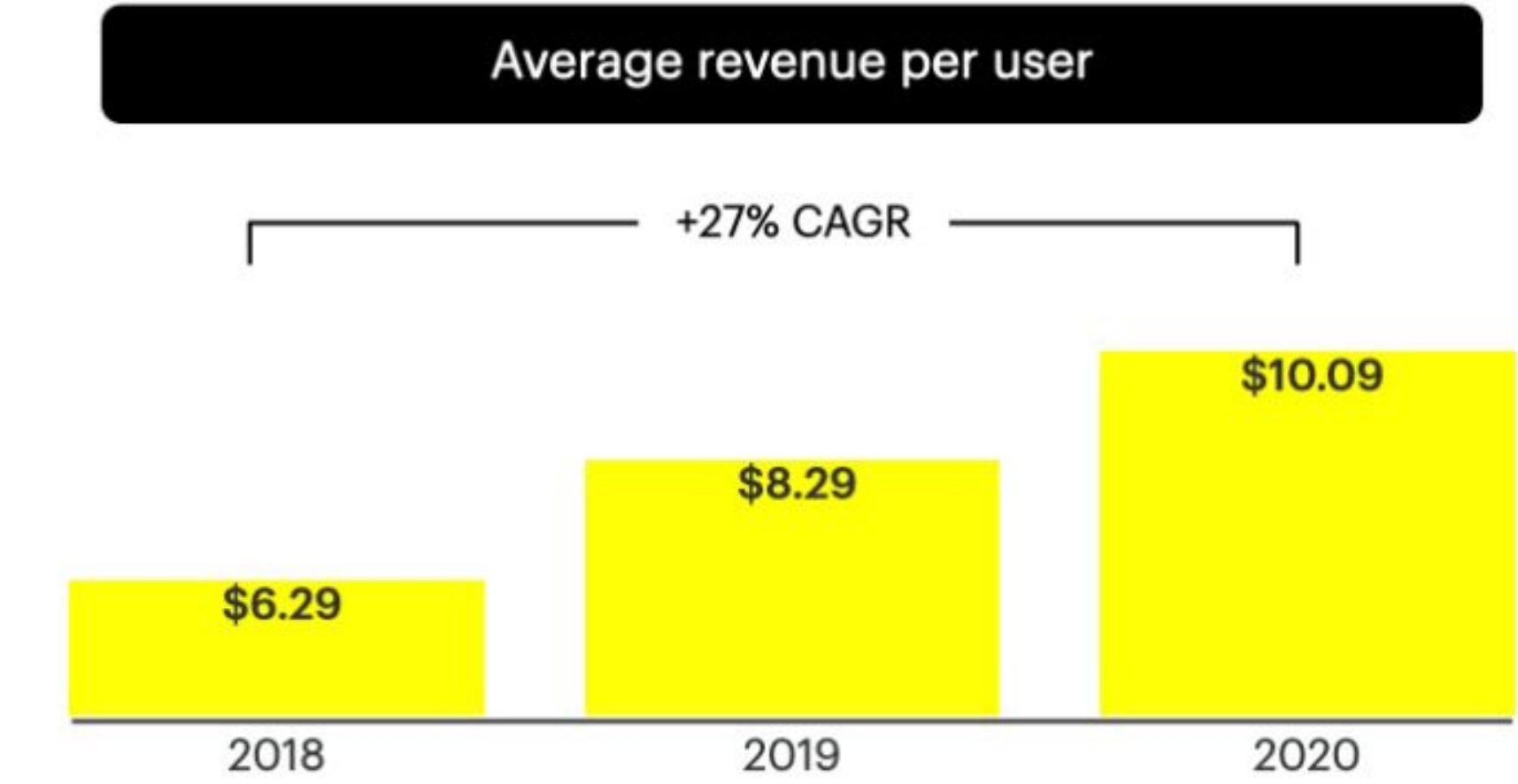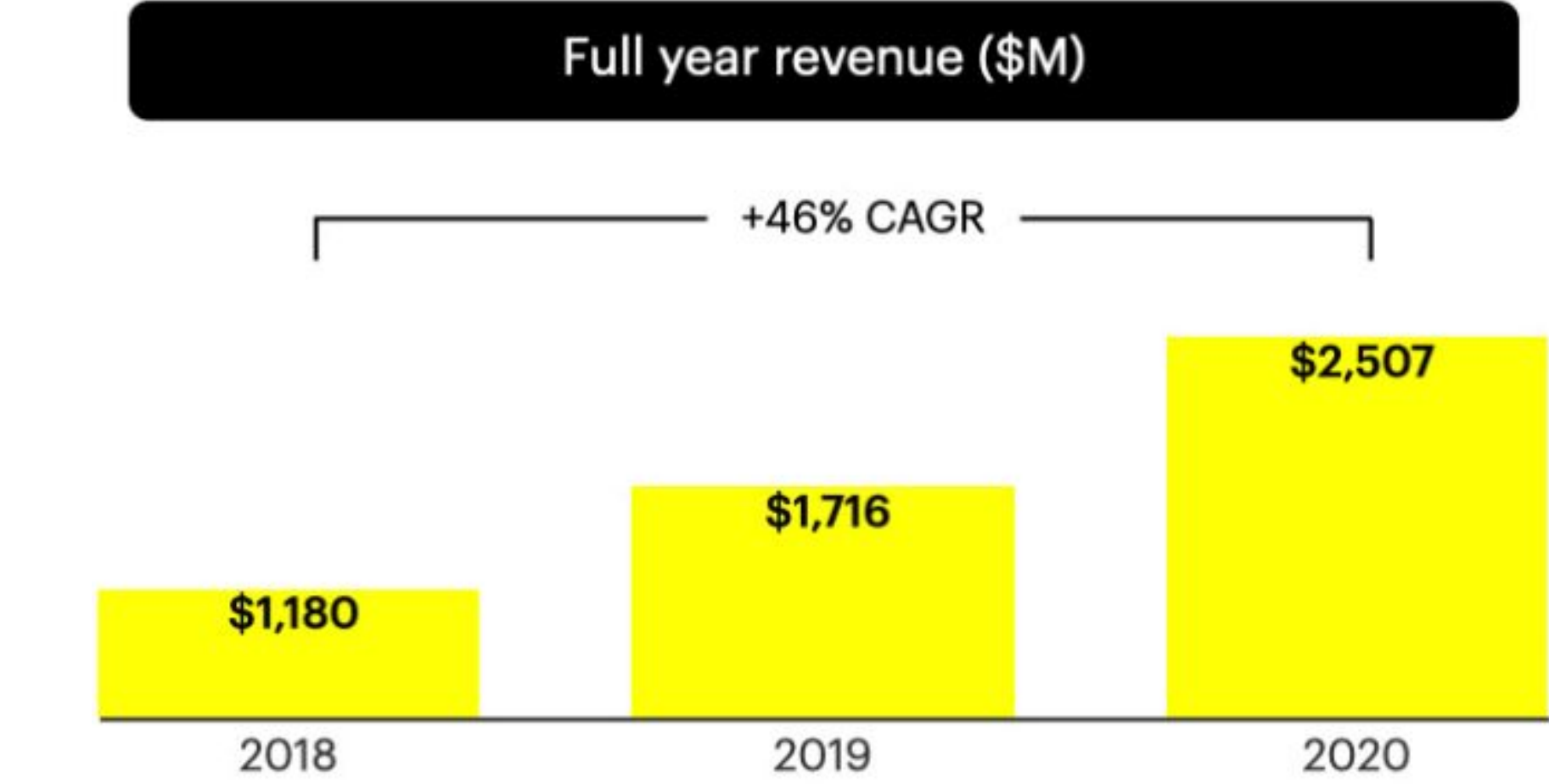
TRUE SIZE TECHNOLOGY

WRIST TRACKING

SHOE TRY-ON

Snap Inc.

Long-Term Value Creation

Growing Revenue and Scaling Efficiently

Full year revenue ($M)

+46% CAGR

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

Average revenue per user

+27% CAGR

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

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

Annual infrastructure costs per DAU

- 2018: $2.92
- 2019: $2.85
- 2020: $2.78

...while still delivering substantial improvements in gross margins

Adjusted gross margin[1]
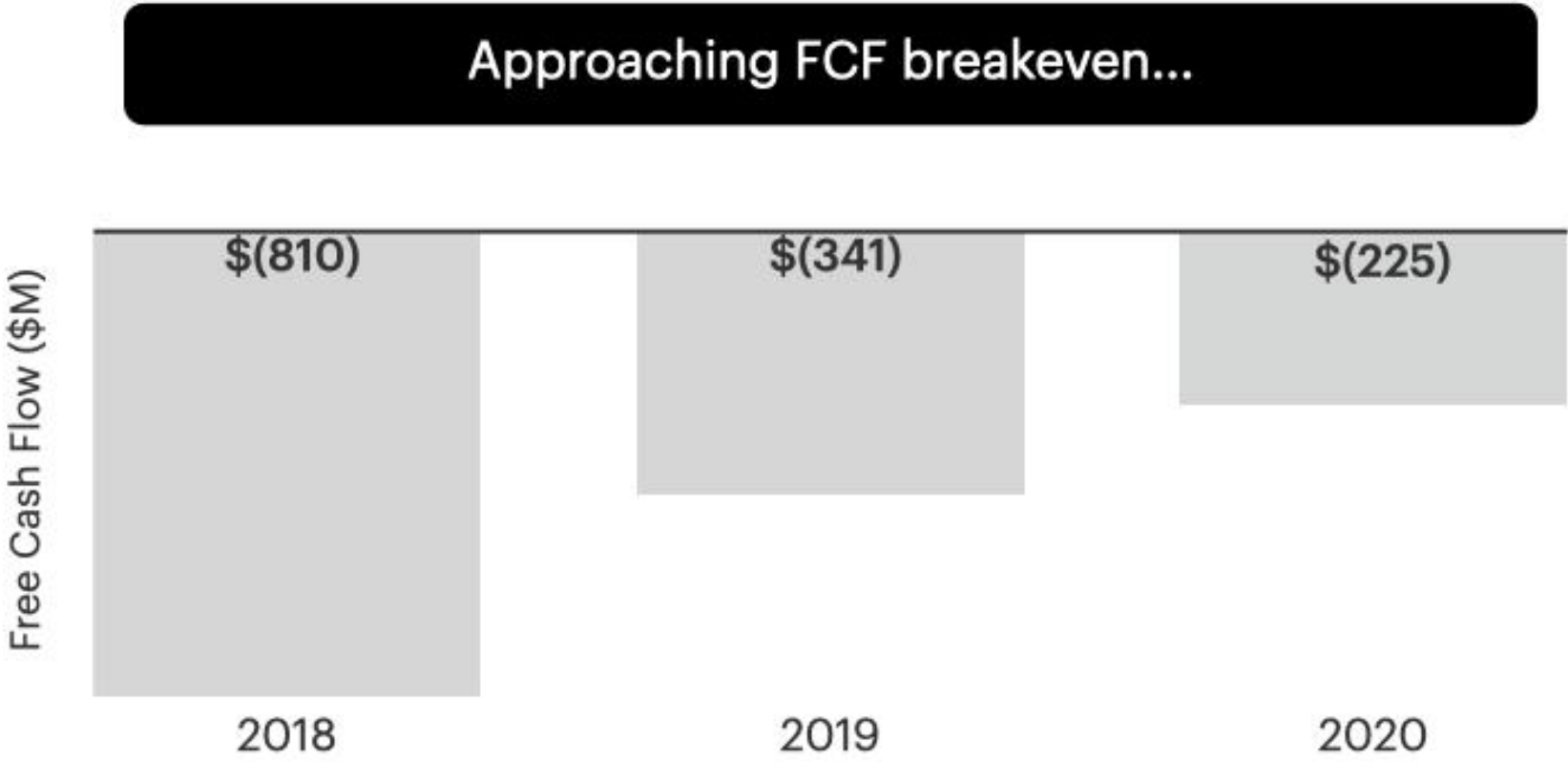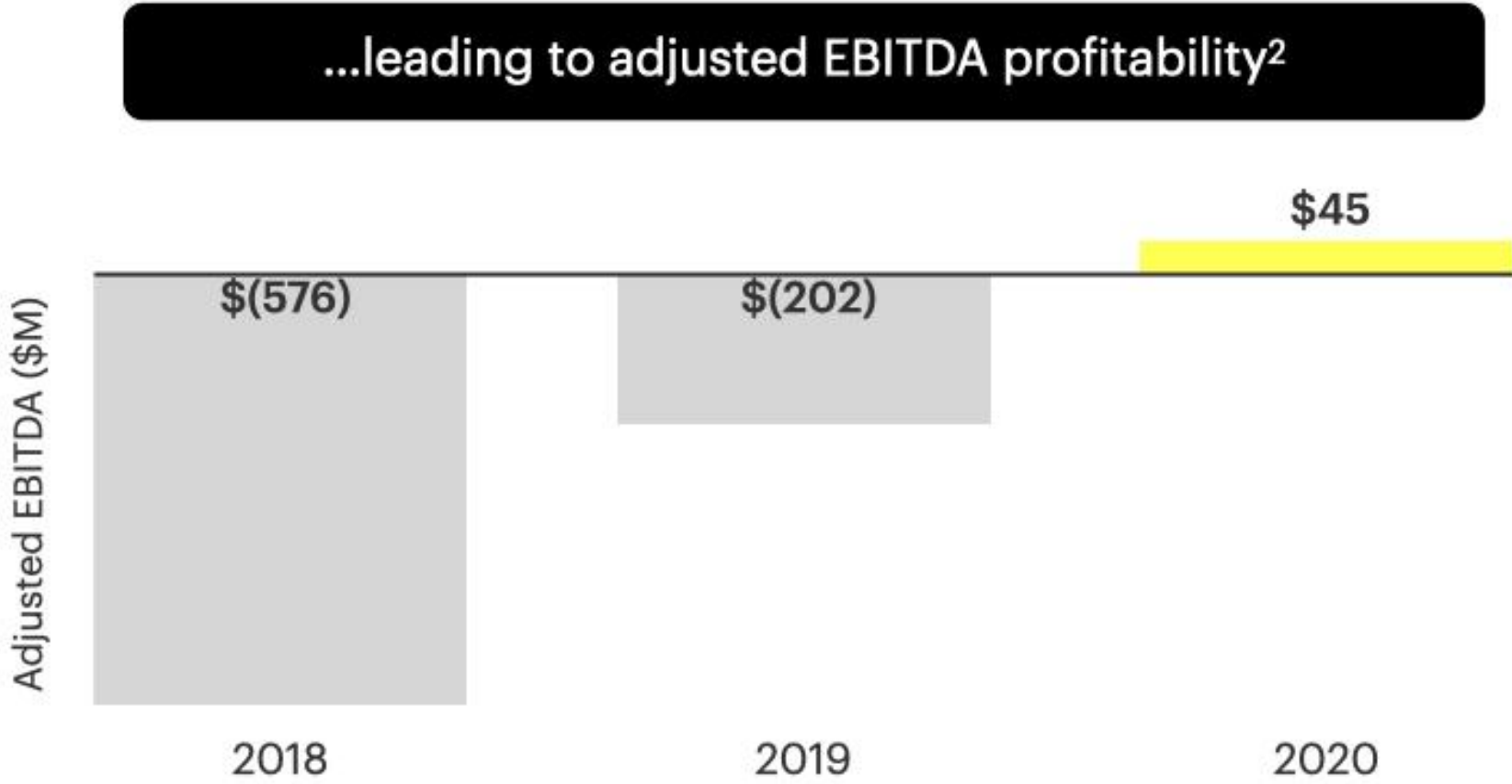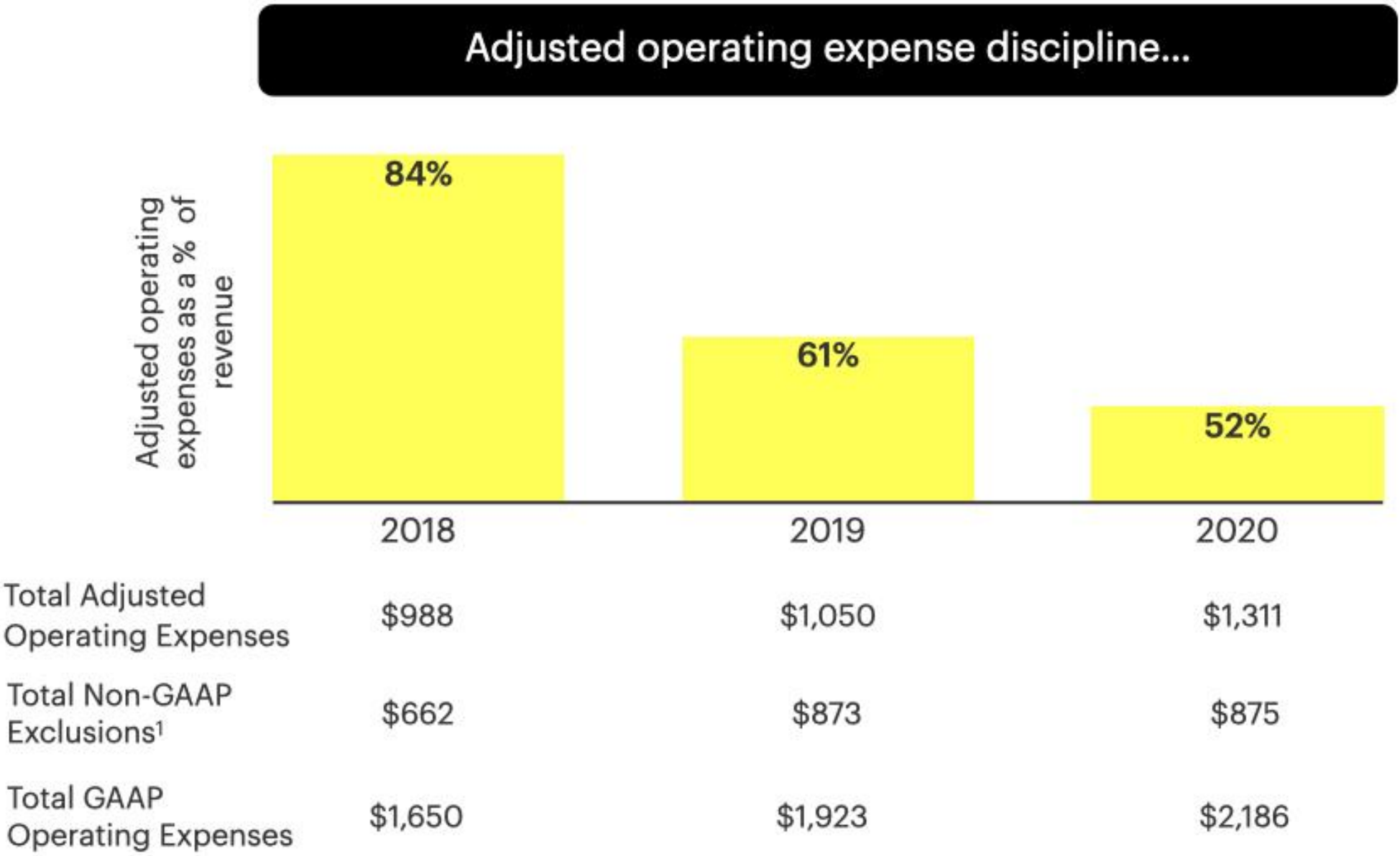
- 2018: 35%
- 2019: 49%
- 2020: 54%

Gross margin

- 2018: 32%
- 2019: 48%
- 2020: 53%

We define ARPU (average revenue per user) as quarterly revenue by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each quarterly ARPU. See Snap Inc. public filings with the SEC.

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

Balanced Approach to Investment Driving Path to Profitability
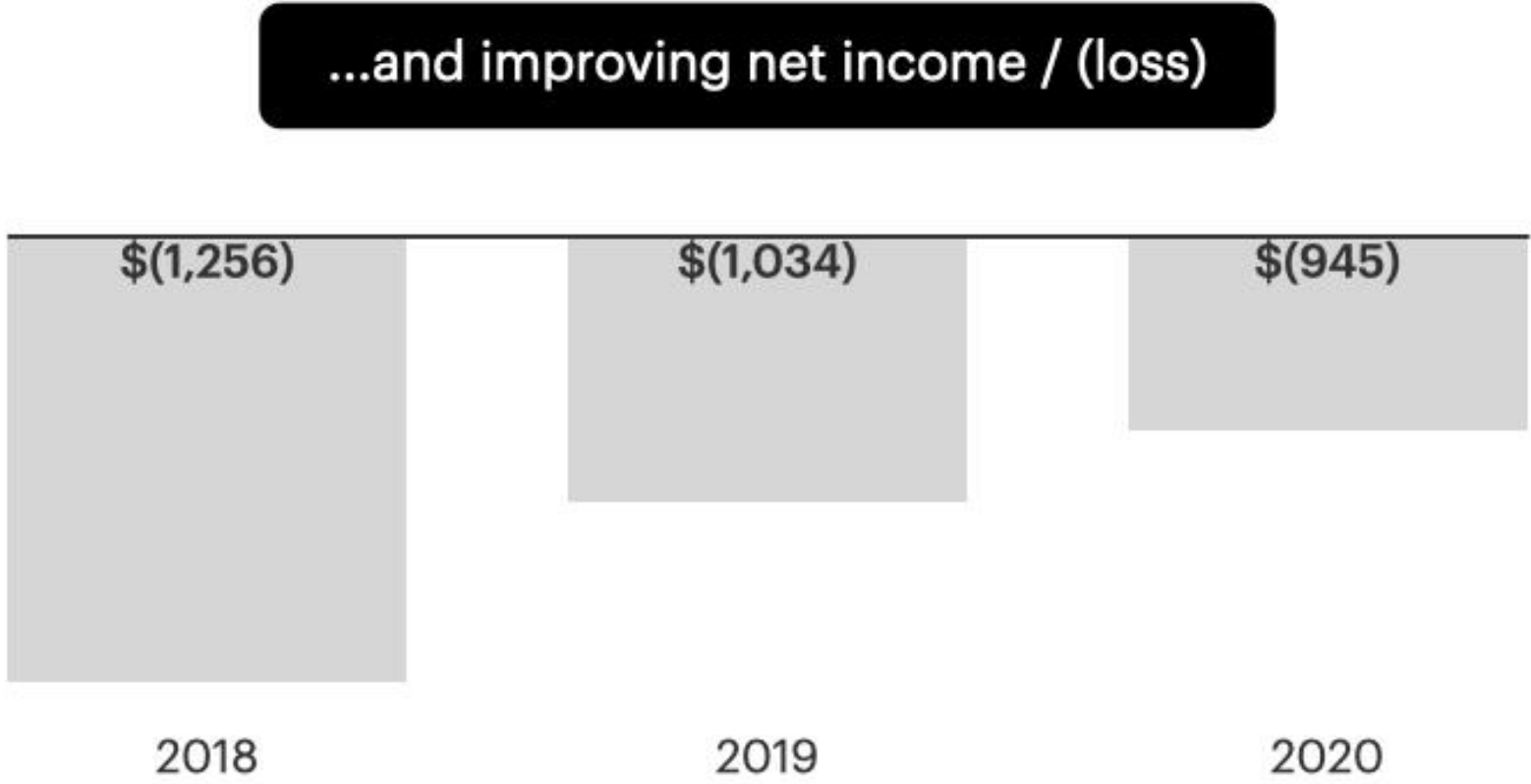
Adjusted operating expense discipline...

Adjusted operating expenses as a % of revenue

	2018	2019	2020
	84%	61%	52%
Total Adjusted Operating Expenses	$988	$1,050	$1,311
Total Non-GAAP Exclusions[1]	$662	$873	$875
Total GAAP Operating Expenses	$1,650	$1,923	$2,186

...leading to adjusted EBITDA profitability[2]

Adjusted EBITDA ($M)

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

Approaching FCF breakeven...

Free Cash Flow ($M)

2018	2019	2020
$(810)	$(341)	$(225)

...and improving net income / (loss)

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

1. Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses.
2. We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.

Capital Allocation

**Building a Strong Balance Sheet
to Ensure Strategic Flexibility**

**Investments to Drive
Organic Growth in Top Line**

**Future Investments to
Accelerate Product Roadmap**

$3.5 billion in cash and
marketable securities[1]

Conservative financial leverage
of less than 1% of market capitalization[1]

No debt maturing before 2025

Focus investments in our talent
base to drive innovation

Investments in Product and content to
expand the ARPU opportunity over time

Investments in Marketing to grow the
community and expand our TAM

Well established track record of
acquisitions and investments to
accelerate our product roadmap

Building a strong balance sheet
ensures we are prepared when
opportunities are available

Strategic M&A

|		Platform	Description	Rationale
L∞KSERY	April 2015	Camera	Application allows users to communicate through augmented reality face filters	Accelerate our augmented reality Lenses product with facial recognition technology
Bitstrips	March 2016	Communication	Bitmoji application lets users create customized cartoon avatars	Integrate Bitmoji avatars into Snapchat to empower self-expression
PLAYCANVAS	March 2017	Games	Cloud-hosted development platform for building games and 3D content	Accelerate our Snap Games product roadmap
zenly	May 2017	Map	Social map where you can interact with your close friends	Accelerate and enhance our Map platform with location-sharing capabilities
Ariel AI	September 2020	Camera	AI software enabling 3D human perception	Adds capabilities to our AR Lenses
StreetCred	September 2020	Map	Marketplace where users are rewarded for providing location data	Critical long-term strategy to help Snapchatters understand the world around them
voca.ai	December 2020	Camera	AI-powered voice assistants intended to replace customer service agents	Accelerate our Voice AI and ML efforts, which are key building blocks for our AR roadmap
FIT ANALYTICS	March 2021	Camera	Sizing technology company that powers solutions for retailers and brands	Grow our e-commerce and shopping offerings
WaveOptics	May 2021	Spectacles	Developer of waveguides and projectors for wearable displays	Accelerate our AR wearable products

Long Term Value Creation
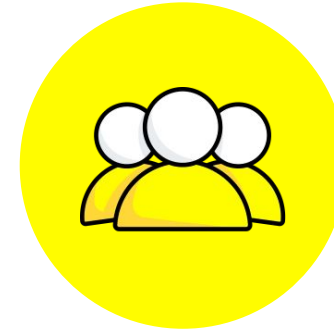
Executing our international growth playbook to grow our community for the long term
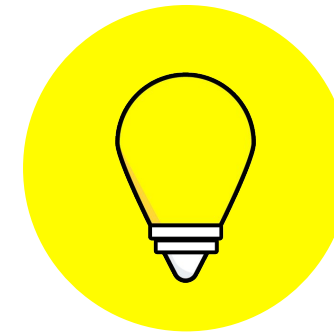
Investing in innovation to deepen engagement and expand the ARPU opportunity

Sophisticated ad platform, and innovative ad units, deliver return on ad spend for partners

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

Conservative balance sheet to prepare for the unexpected and fund the opportunistic

Snap Inc.

Appendix

Non-GAAP Financial Measures Reconciliation
(in thousands, unaudited)

		2018		2019		2020
Free Cash Flow Reconciliation						
Net cash used in operating activities	$	(689,924)	$	(304,958)	$	(167,644)
Less:						
Purchases of property and equipment		(120,242)		(36,478)		(57,832)
Free Cash Flow[1]	$	(810,166)	$	(341,436)	$	(225,476)

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

[1] We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.
[2] We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Securities class actions legal charges related to a preliminary agreement to settle the securities class actions that arose following our IPO. Charges recorded are net of amounts directly covered by insurance. These charges are non-recurring and not reflective of underlying trends in our business.

Non-GAAP Financial Measures Reconciliation (Continued)
(in thousands, unaudited)

Cost of Revenue Breakdown

	2018	2019	2020
Total Adjusted Cost of Revenue	$768	$868	$1,150
Total Non-GAAP Exclusions[1]	$31	$28	$33
Total GAAP Cost of Revenue	$799	$896	$1,183

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

Snap Inc.