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 quarter 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 we may have poor connectivity. Therefore, 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 have developed and operate. We count a DAU only when a user has opened the application and only once 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 by becoming a DAU, 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 User Metrics and Other Data

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 our future, 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 users, as well as the risks we disclose in “Risk Factors” and elsewhere in our most recent periodic report, 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 and 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 investor relations websites (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.
Our Community
Strong Growth in our Community

On average

293M Daily Active Users
High Penetration in Most Established Markets

90% of 13 to 24-Year-Old Population

75% of 13 to 34-Year-Old Population
Significant Opportunity To Expand Our Community Globally

North America

- ~400M Smartphones
- 24% Penetration
- 95M DAU

Europe

- ~560M Smartphones
- 14% Penetration
- 78M DAU

Rest of the World

- ~2.4B Smartphones
- 5% Penetration
- 120M DAU

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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**
- 35 languages currently supported¹

**LOCAL LENSES**
- Over 2M Lenses launched²
- 200K+ active Lens creators globally²

**LOCAL CONTENT**
- 500+ content partners in 17 countries around the World³

**LOCAL MARKETING**
- Generate awareness through local marketing initiatives

**LOCAL PARTNERSHIPS**
- Preload partnerships with major handset OEMs provide placement & promotion:
  - SAMSUNG
  - VIVO
- Partnerships with local telcos ensure attractive data rating and promotion:
  - Ooredoo
  - Telcel

---

1. Snap Inc. internal data as of July 2021.
2. Snap Inc. internal data as of June 30, 2021.
Snapchat
The Snapchat Experience

Five core platforms
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.

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.
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.

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.

250 Million+
Snapchatters use our Snap Map every month, allowing them to find the people and places that mean the most to them¹

30 Million+
businesses on the Map for our community to discover²

---

¹ Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.
² Snap Inc. internal data Q2 2021.
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
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 creators¹ have used Lens Studio

2 Million+
Lenses made by our community¹

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

¹ Snap Inc. internal data January 2015 - June 2021.
² Snap Inc. internal data Q2 2021.
130+ Snap Original Series Launched
to Date With 65+ Partners

High Quality, Award-Winning Content Made for Mobile

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.
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

¹ 2021 Global Cassandra Study commissioned by Snap Inc. | Base: Total N=27,006 respondents | 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 2021 Global Cassandra Study commissioned by Snap Inc. | Base: Total N=27,006 respondents | Q: Which of the following, if any, are true for you?

³ 2021 Global Cassandra Study commissioned by Snap Inc. | Base: Total N=27,006 respondents | 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

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

- First Car
- Moves Out
- Graduates
- You Got It! (Boss)
- Develops Brand Loyalty
- Starts Career
- Vacations Alone
- Gets Married
- Buys First Home
- 13 Years
- 34 Years
Deep Domain Expertise in Key Enterprise Verticals

Apps, Media & Services
- Uber Eats
- acorns
- FANDUEL

Auto
- NISSAN
- GM
- HONDA

Commerce
- hismile
- DECKERS BRANDS

CPG
- Johnson & Johnson
- Coca-Cola

Entertainment
- discovery+

Health & Government
- truth initiative

Restaurants
- Papa John's
- TACO BELL
- MCDONALD'S

Retail
- TARGET
- GUCCI
- ADIDAS

Tech
- Sony
- XBOX
- SAMSUNG

Telco
- verizon
- STIC

Financial Services
- Capital One
- VISA
- State Farm

Travel
- Marriott
- Emirates
- Carnival
Creative Ad Formats That Deliver Results

**In-Camera**
- 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

<table>
<thead>
<tr>
<th>Commercials</th>
<th>Delivery Insights</th>
<th>Dynamic Ads</th>
<th>Brand Profiles</th>
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<tbody>
<tr>
<td>Premium Content Targeting</td>
<td>Target Cost Bidding</td>
<td>Target Cost Bidding</td>
<td>ROAS Bidding</td>
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<tr>
<td>Advanced Location Targeting</td>
<td>Bulk Editing, Cloning, Uploading</td>
<td>Reach &amp; Frequency</td>
<td>Auction Forecasting</td>
</tr>
<tr>
<td>Conversion Lift</td>
<td>Snap Select</td>
<td>Instant Create</td>
<td>Behavior Insights</td>
</tr>
<tr>
<td>AR in Self Serve</td>
<td>Snap Audience Network</td>
<td>Local Ads</td>
<td>Trending on Snap</td>
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<td>GBB App Install</td>
<td>Snap Audiences</td>
<td>Snap Minis</td>
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<tr>
<td>GBB Video View</td>
<td>Collection Ads</td>
<td>Logos in Scan</td>
<td></td>
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<tr>
<td>Lookalikes</td>
<td>Snap Pixel</td>
<td>Snap Minis</td>
<td></td>
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<tr>
<td>On-Demand Geofilters</td>
<td>Snap Select</td>
<td>Place Listings</td>
<td></td>
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<tr>
<td>Audience Lenses &amp; Filter</td>
<td>Collection Ads</td>
<td>Collection Ads</td>
<td></td>
</tr>
<tr>
<td>Collection Ads</td>
<td>Snap Select</td>
<td>Place Listings</td>
<td></td>
</tr>
<tr>
<td>Lookalikes</td>
<td>Snap Select</td>
<td>Place Listings</td>
<td></td>
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<thead>
<tr>
<th>Platform Bursts</th>
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<tbody>
<tr>
<td>Demographic Targeting</td>
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<tr>
<td>Interest-based Targeting</td>
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<tr>
<td>Location Targeting</td>
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<tr>
<td>Bulk CRUD Tools / Advanced Buy Flow</td>
</tr>
<tr>
<td>Scalable Ads API</td>
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<tr>
<td>Premium Content Targeting</td>
</tr>
<tr>
<td>Advanced Delivery Options (e.g., GBBs)</td>
</tr>
<tr>
<td>Audience and Delivery Insights</td>
</tr>
<tr>
<td>Reach and Frequency</td>
</tr>
</tbody>
</table>

The Advertiser Demand Flywheel

- More Demand
- More Efficiency
- More Diversity
- Better ROI
- Better Optimization
- 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."

Alix Sergen, 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 Gaglione, 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 Land, 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.

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.

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.
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

Advertising Industry Is Moving in Our Direction

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

$232, $338, $382, $508

Digital CAGR: 14.3%

Digital CAGR: 11.0%

U.S.

International

Traditional

Digital

eMarketer estimates, October 2020.
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

¹ 2021 Deloitte Digital Study commissioned by Snap Inc. Base = Aggregate (n=8,770).
² NielsenIQ Analysis, Augmented retail: The new consumer reality.
³ ARInsider Article, “Does AR Really Reduce eCommerce Returns?”.
Long-Term Value Creation
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

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; 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.

### Adjusted operating expense discipline...

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Adjusted Operating Expenses</th>
<th>Total Non-GAAP Exclusions¹</th>
<th>Total GAAP Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$988</td>
<td>$662</td>
<td>$1,650</td>
</tr>
<tr>
<td>2019</td>
<td>$1,050</td>
<td>$873</td>
<td>$1,923</td>
</tr>
<tr>
<td>2020</td>
<td>$1,311</td>
<td>$875</td>
<td>$2,186</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA (GA)

- 2018: $576
- 2019: $202
- 2020: $45

### Approaching FCF breakeven...

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$(810)</td>
</tr>
<tr>
<td>2019</td>
<td>$(341)</td>
</tr>
<tr>
<td>2020</td>
<td>$(225)</td>
</tr>
</tbody>
</table>

### ...leading to adjusted EBITDA profitability²

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

### ...and improving net income / (loss)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income / (Loss) ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$(1,256)</td>
</tr>
<tr>
<td>2019</td>
<td>$(1,034)</td>
</tr>
<tr>
<td>2020</td>
<td>$(945)</td>
</tr>
</tbody>
</table>
Capital Allocation

Building a Strong Balance Sheet to Ensure Strategic Flexibility

- $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

Investments to Drive Organic Growth in Top Line

- Focus investments in our talent base to drive innovation
- Investments in Product and content to expand the ARPU opportunity over time
- Investments in Marketing to grow the community and expand our TAM

Future Investments to Accelerate Product Roadmap

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

\(^1\) As of June 30, 2021
## Strategic M&A

<table>
<thead>
<tr>
<th>Platform</th>
<th>Description</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOOKSERY</strong></td>
<td>April 2015</td>
<td>Application allows users to communicate through augmented reality face filters</td>
</tr>
<tr>
<td><strong>Bitstrips</strong></td>
<td>March 2016</td>
<td>Bitmoji application lets users create customized cartoon avatars</td>
</tr>
<tr>
<td><strong>PLAYCANVAS</strong></td>
<td>March 2017</td>
<td>Cloud-hosted development platform for building games and 3D content</td>
</tr>
<tr>
<td><strong>zenly</strong></td>
<td>May 2017</td>
<td>Social map where you can interact with your close friends</td>
</tr>
<tr>
<td><strong>Ariel AI</strong></td>
<td>September 2020</td>
<td>AI software enabling 3D human perception</td>
</tr>
<tr>
<td><strong>StreetCred</strong></td>
<td>September 2020</td>
<td>Marketplace where users are rewarded for providing location data</td>
</tr>
<tr>
<td><strong>voca.ai</strong></td>
<td>December 2020</td>
<td>AI-powered voice assistants intended to replace customer service agents</td>
</tr>
<tr>
<td><strong>FIT ANALYTICS</strong></td>
<td>March 2021</td>
<td>Sizing technology company that powers solutions for retailers and brands</td>
</tr>
<tr>
<td><strong>WaveOptics</strong></td>
<td>May 2021</td>
<td>Developer of waveguides and projectors for wearable displays</td>
</tr>
</tbody>
</table>
Long Term Value Creation

Executing our international growth playbook to grow our community for the long term

Investing in innovation to deepen engagement and expand the ARPU opportunity

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

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

Conservative balance sheet to prepare for the unexpected and fund the opportunistic
Appendix
## Non-GAAP Financial Measures Reconciliation

*(in thousands, unaudited)*

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBITDA Reconciliation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(1,255,911)</td>
<td>$(1,033,660)</td>
<td>$(944,839)</td>
</tr>
<tr>
<td>Add (deduct):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$27,228</td>
<td>$36,042</td>
<td>$18,127</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,894</td>
<td>24,994</td>
<td>97,228</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>8,249</td>
<td>(59,013)</td>
<td>(14,988)</td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>2,547</td>
<td>393</td>
<td>18,654</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>91,648</td>
<td>87,245</td>
<td>86,744</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>538,211</td>
<td>686,013</td>
<td>770,182</td>
</tr>
<tr>
<td>Payroll tax expense related to stock-based compensation</td>
<td>21,927</td>
<td>27,840</td>
<td>50,309</td>
</tr>
<tr>
<td>Securities class actions legal charges</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>Lease exit charges</td>
<td>31,143</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reduction in force charges</td>
<td>9,884</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$(575,637)</td>
<td>$(202,230)</td>
<td>$45,163</td>
</tr>
</tbody>
</table>

---

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 expenses; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Securities class actions legal charges related to a preliminary agreement to settle the securities class actions that arose following our IPO. Charges recorded are net of amounts directly covered by insurance. These charges are non-recurring and not reflective of underlying trends in our business.
Non-GAAP Financial Measures Reconciliation (Continued)
(in thousands, unaudited)

Cost of Revenue Breakdown

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

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