



# SNAP BACK TO REALITY

SAVE SNAP NOW

March 2026



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# SNAP IS A SPECIAL ASSET THAT CAN BE A GREAT COMPANY

SNAP has the potential to be a great company through meaningfully improved operating efficiency and greater monetization (higher ROAS, data assets) enabled by AI

## 01 Good Product

- ✓ 1 of only 4 scaled U.S. social networks
- ✓ ~1bn MAUs and 474mm DAUs – Huge, irreplaceable scale
- ✓ \$6bn in revenue growing 10%+ YoY
- ✓ \$1bn in subscription revenues growing 60%+ YoY
- ✓ Unique ability to captivate user attention and media trends
- ✓ Proprietary data assets and advertising stack – one of the few “walled gardens”

## 02 Bad Cost Structure

- ✗ \$5bn in cash costs eroding free cash flow generation
- ✗ \$3.5bn<sup>(1)</sup> investment spent on Specs project since 2014 with no return
- ✗ 70% dilution since IPO from stock-based compensation
- ✗ Public shareholders are given zero voting rights

## 03 Great Potential

- Trades at 1.2x Revenue and 6.8x EBITDA, substantially below its peers
- Opportunity to be a double AI winner by fixing its cost structure and improving monetization
- Fixing SNAP's governance model will allow it to re-rate and move in-line with peers at 4-6x Revenue, 9-12x EBITDA



SNAP HAS THE POTENTIAL TO 7X TO \$26+ / SHARE

# SAVE SNAP NOW

SNAP is a special asset and should be a great company

- SNAP is 1 of only 4 scaled U.S. social networks - with close to 1bn MAUs and a highly engaged audience from an enviable demographic (i.e. 13-34 year olds) who will define the AI consumer economy
- SNAP also sits on valuable proprietary datasets - more than 1 trillion memories saved since 2016, 5bn+ snaps created each day, 17bn+ Gen AI Lens engagements and 400k+ developers on the platform - these are not easily replicable assets
- SNAP's MyAI reached 100mm users in just 1 month - demonstrating SNAP's distribution advantages as an AI deployment platform
- Yet SNAP has significantly underperformed as a public company, with its shares down 77% since IPO
- The unaugmented reality is that SNAP's cost structure is bloated, SBC is excessive, \$3.5bn<sup>(1)</sup> has been spent in AR hardware, and the company is distracted from what SNAP does best - selling ads and subscriptions

We believe SNAP should be a double AI winner

- We believe that SNAP has a unique opportunity to be a double AI winner and use this moment as a catalyst to transform SNAP from a good product to a great, highly profitable, company
- **On the Revenue side** - AI will substantially drive smarter ad targeting, provide advertisers with better attribution/ measurement, and allow SNAP to accelerate product development to better monetize its many user surfaces
  - Advertising focused companies like Meta and AppLovin have seen dramatic improvements in monetization by leveraging AI / ML tools to improve ad targeting, while SNAP has lagged behind with flat user monetization over the last 4 years
  - SNAP should also unlock the unrealized value of its proprietary visual datasets, which we believe is substantial
- **On the Cost side** - AI can and should replace many existing functions through both headcount efficiency and operational automation
  - Shutting down Specs alone (which we estimate is consuming \$500mm in cash per year<sup>(2)</sup>) is a start but not enough
  - Now is the time to get fit and be competitive, leveraging AI to drive substantial and sustainable profitability

# SAVE SNAP NOW

Current Share Price \$3.93<sup>(3)</sup>

<p><b>Spin / Shut Specs</b></p>	<ul style="list-style-type: none"> <li>• \$3.5bn spent over 11 years with no viable consumer product to date</li> <li>• AR wearables is a weak market with intensifying competition, and SNAP's issues are compounded by its narrower product offering and limited evidence that consumers will pay a premium for AR glasses at scale</li> <li>• With no path to value realization until 2030+ it's time to spin Specs out or shut it down</li> </ul>	<p><b>+\$2.03</b></p>
<p><b>Rationalize Costs</b></p>	<ul style="list-style-type: none"> <li>• SNAP can and should leverage AI to drive efficiency in the organization and remove excessive layers</li> <li>• Eliminate cost structure bloat with a 1,000 personnel RIF and lower cash personnel costs by \$30k per employee</li> <li>• Align SBC incentives through performance based vesting at \$10/sh and \$15/sh</li> </ul>	<p><b>+\$1.64</b></p>
<p><b>Improve Monetization</b></p>	<ul style="list-style-type: none"> <li>• Break out of SNAP's ARPD AU ceiling through better ad targeting and accelerated product development</li> <li>• Focus on 1) improving advertiser ROAS through better targeting and attribution / measurement; 2) user flow and monetization of chat and maps; 3) leaning in to subscriptions</li> </ul>	<p><b>+\$5.78</b></p>
<p><b>Deploy AI Properly</b></p>	<ul style="list-style-type: none"> <li>• Monetize SNAP's proprietary visual datasets</li> <li>• Replace broken AI partnerships</li> </ul>	<p><b>+\$2.01</b></p>
<p><b>Improve Governance and Return Capital</b></p>	<ul style="list-style-type: none"> <li>• Use newfound cash and profitability to further invest in privacy, safety, and parental controls</li> <li>• Execute a \$5.8bn share buyback program<sup>(1)</sup> supported by substantially improved free cash flow profile</li> <li>• Unlock multiple re-rating<sup>(2)</sup> through improved governance by providing public shareholders with a vote</li> </ul>	<p><b>+\$10.98</b></p>

7x Opportunity

**SNAP'S PUBLIC SHAREHOLDERS HAVE NO VOTING RIGHTS AND YOU DON'T NEED TO LISTEN, BUT THERE IS A CLEAR PATH TO 7X SNAP'S SHARE PRICE (\$26.37 / SH.). LET'S TAKE IT.**

(1) Assumes 50% of Adj. EBITDA over next 3 years is used for buybacks at an average price of \$15 / Sh.  
 (2) Assumes 2x multiple expansion to 9.0x NTM EV/Adj. EBITDA  
 (3) Last close price as of 3/27/2026

# ABOUT IRENIC

Irenic Capital Management was founded in 2021 by Adam Katz (fmr Elliott Management) and Andy Dodge (fmr Indaba). Irenic is an event-driven, special situations firm that invests across the capital structure. The firm operates at the intersection of public and private markets and often uses activism as a tool to drive favorable outcomes.

## Irenic's Approach to Investing

- Irenic invests across the capital structure in companies where we expect a substantial increase in value as a result of Irenic's constructive shareholder engagement efforts or following a specific event

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- We focus on companies with an initial market capitalization of less than \$15 billion where we believe a larger, less canvassed opportunity exists and the benefits of applying a world-class engagement playbook will be most pronounced

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- Irenic works collaboratively with companies to ensure operating activities, capital deployment, and management incentives are all aligned to create value at the companies in which it invests

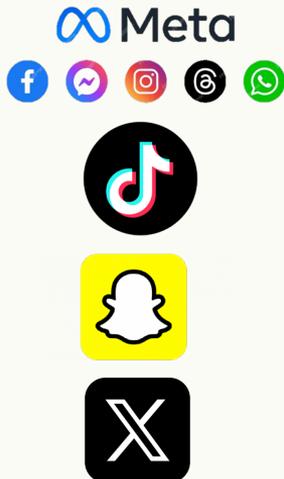
Irenic manages  
approximately  
\$2.5bn of assets  
under management  
across public and  
private investments

# EXECUTIVE SUMMARY



# SNAP IS A SPECIAL ASSET; 1 OF ONLY 4 SCALED U.S. SOCIAL NETWORKS

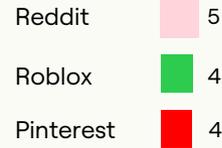
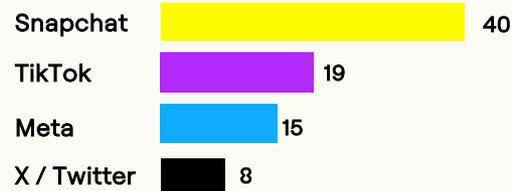
## 1 of Only 4 Social Media Networks



## Huge User Base (Monthly Active Users)



## Highly Active Users (Average Daily Opens)



# SNAP SHOULD BE AN AI WINNER GIVEN ITS UNIQUE PROPRIETARY DATASETS

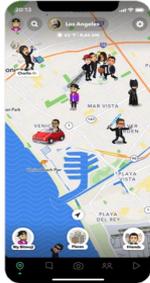
## Camera

Billions of views/images  
Facial recognition / AR data  
40x+ App Opens / Day  
5bn+ Daily Snaps



## Geo-Spatial

Snap Maps provides unique location data and opportunity for businesses to reach a younger audience  
AI can unlock ad targeting improvements from location data



## Communications

Language  
Multimodal messaging  
Social graphs  
Logged in users  
Improved ad targeting



## AR Library

~3bn AR interactions / scans per day (not sent as image / video)  
Lens / AR lens data + brand marketing opportunity  
~400k AR Lens Developers  
AI makes lens asset generation cheaper for advertisers



“Snapchat is likely one of the largest AI-based video and image generation and editing services in the world, with people using Lenses more than 8 billion times per day. While the underlying technology continues to commoditize, and open source proliferates, the customer relationship is becoming far more important. That’s our opportunity. Snapchat is one of the only places where AI can be woven directly into the fabric of your friendships, Snaps, and conversations. We don’t just want to make AI smarter. We want to make it more personal, social, and fun. Our vision for AI enhances your relationships, instead of replacing them.”

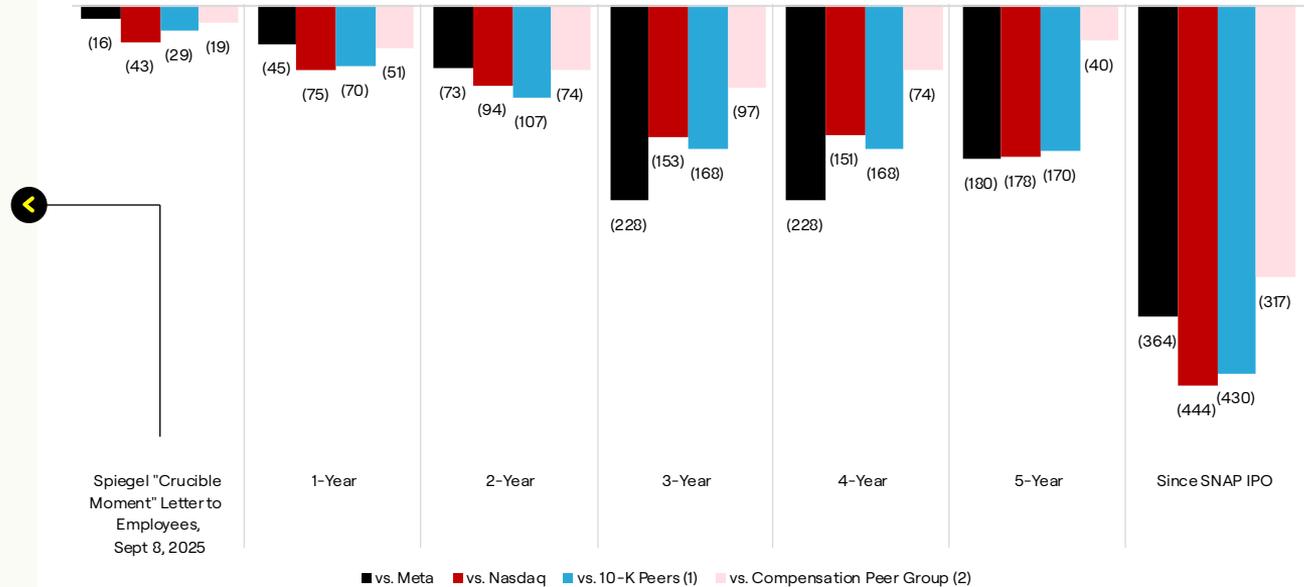
– Spiegel “Crucible Moment” Letter to Employees, Sept 8, 2025

# BUT SNAP HAS PERFORMED TERRIBLY AS A PUBLIC COMPANY, CONSISTENTLY UNDERPERFORMING PEERS AND INDICES

"While our share price performance has not yet reflected the full potential of our business, we have a clear path forward. **We must reaccelerate revenue growth, improve gross margins, and grow our community and engagement to expand our long-term potential. Achieving net income profitability would also help offset the dilution risk of stock-based compensation and establish a stronger foundation under our share price.** These are the facts of our crucible moment."

- Spiegel "Crucible Moment" Letter to Employees, Sept 8, 2025

SNAP Relative TSR vs. Indices and Peers (%)

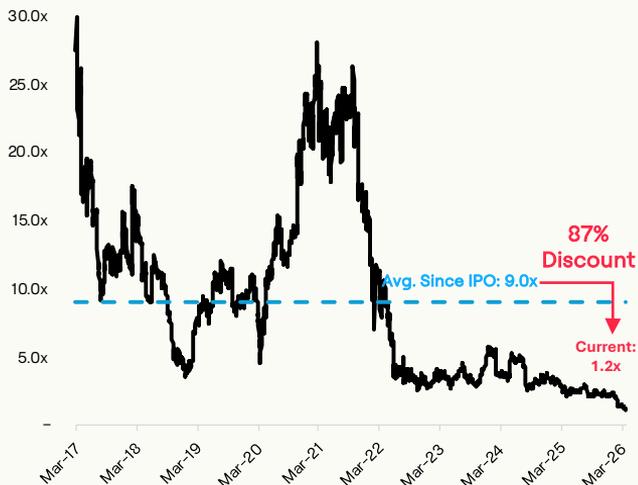


Source: Bloomberg cumulative shareholder returns assuming gross dividends reinvested as of 3/27/2026

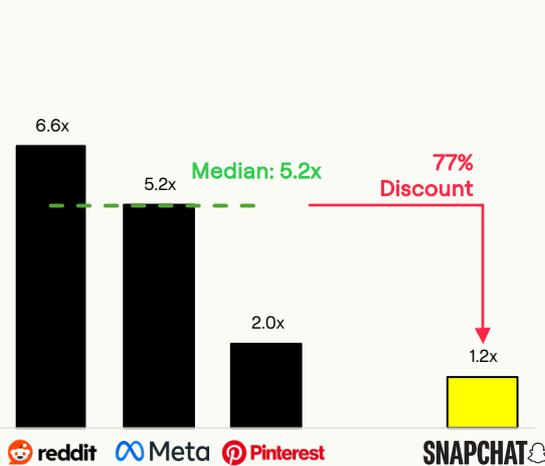
- 10-K Peers include GOOGL, AAPL, META, PINS, RDDT
- Compensation Peers include ADSK, XYZ, DOCU, DASH, ETSY, MTCH, PINS, RBLX, ROKU, SHOP, SPOT, TTWO, TWLO, UBER, WDAY, Z, ZM

# SNAP TRADES AT A LARGE DISCOUNT TO HISTORICAL LEVELS AND PEERS

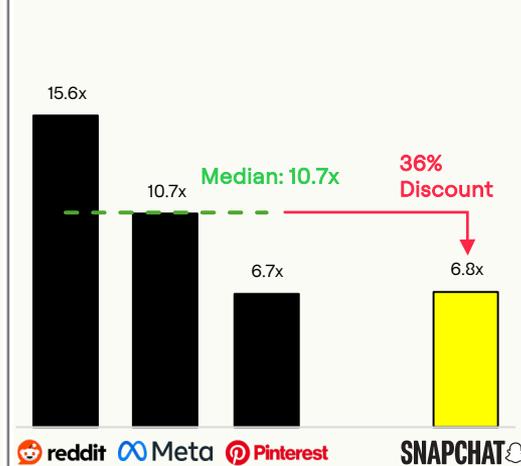
SNAP Historical Multiple – EV / NTM Revenue



EV / 2026 Revenue



EV / 2026 Adj. EBITDA



Cumulative TSR Since SNAP IPO

258%

237%

(7%)

(77%)

# SO WHY HAS IT BEEN SO BAD?

Specs  
Business

**\$3.5 Billion**  
Invested in Specs over 11-Years

- ✘ **No viable consumer product to date**
- ✘ Yet SNAP spends >30% of its Adj. EBITDA on Specs per year<sup>(1)</sup>
- ✘ SNAP is outcompeted and outspent by better capitalized peers like META

Under  
Monetization

**\$13 ARPAU**  
FY2025

- ✘ Significantly below all peers despite being a top 3 largest social media network
- ✘ **Demonstrated zero growth in revenue per DAU despite ad market growing 13% per year since 2022<sup>(2)</sup>**

Bloated  
Cash Costs

**\$5.3 Billion**  
FY2025 Cash Costs

- ✘ ~5,300 employees with personnel costs materially higher than peers
- ✘ Meaningfully less profitable vs peers (12% vs. peer avg. 31% Adj. EBITDA Margin)

Massive  
Dilution

**\$8+ Billion**  
Cumulative SBC since IPO

- ✘ 700mm+ shares issued to employees since IPO
- ✘ **Public shareholders diluted by 70% since IPO**
- ✘ **SNAP has spent more money on stock-based compensation than its entire market cap today (\$6.6bn)**

Poor  
Governance

**0% Voting**  
Class A Public Shareholders

- ✘ Public shareholders own 85% of SNAP economics but 0% of the vote
- ✘ **No other company gives its public shareholders zero votes**
- ✘ Structural impediment for inclusion in the Russell U.S. Indices

# 6 STEPS TO 7X (1 of 2)



## Cost Improvements

### 1 Spin / Shut Specs

Save \$500mm cash annually  
Focus the company on what it does best and avoid distractions

### 2 Rationalize Costs

AI can and should replace many existing roles  
Execute on a 1,000 person RIF to get fit and competitive  
Empower your highest performers



## Monetization

### 3 Improve Monetization

AI will massively accelerate product development and enhance advertising monetization tools  
Product led improvements across users, advertisers, and subscriptions to break out of SNAP's monetization ceiling

### 4 Deploy AI Properly

Monetize SNAP's proprietary AI datasets  
Concentrate AI partnerships on clear winners like Gemini, OpenAI, and Anthropic



## Governance

### 5 Commit to Investing in Safety and Capital Return

Use newfound cash and profitability to further invest in privacy, safety, and parental controls  
Allocate new cash flow generation to capital return and demonstrate conviction in SNAP's valuation

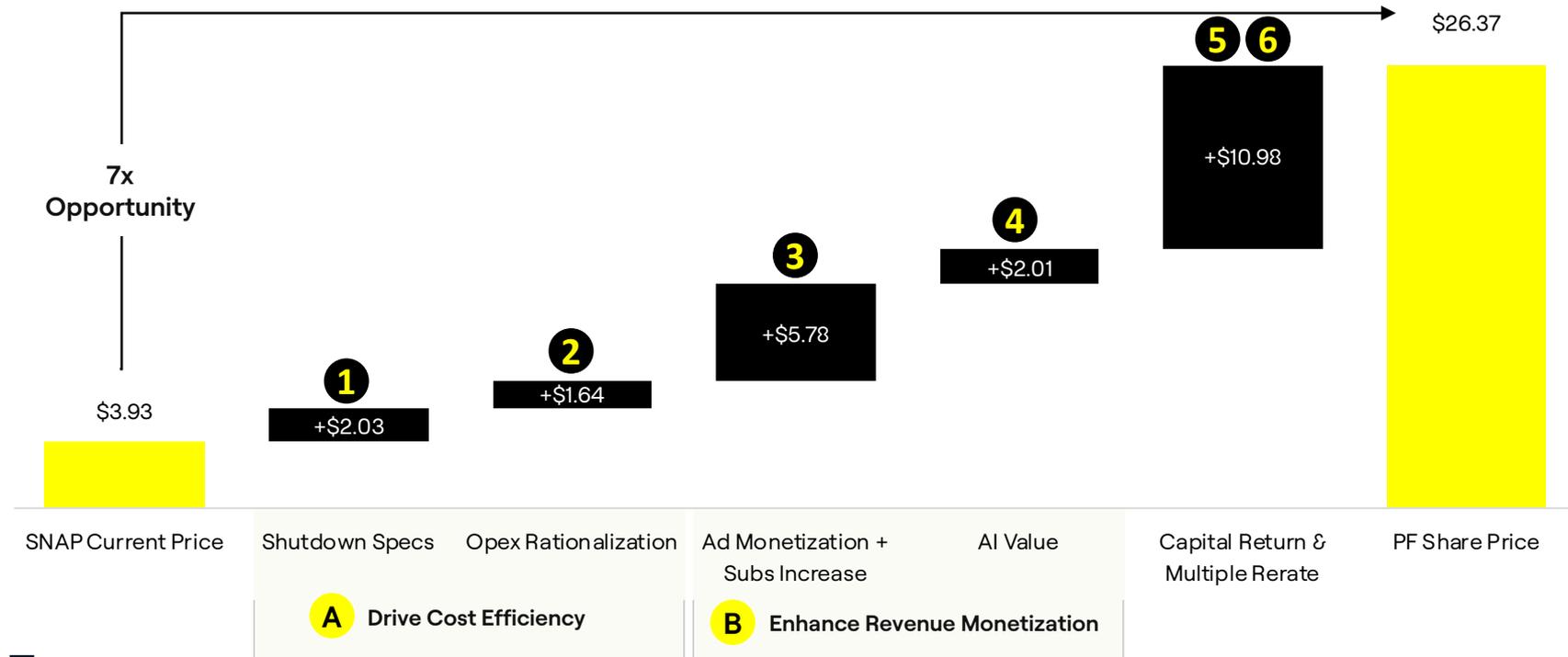
### 6 Improve Corporate Governance

Giving shareholders a vote can unlock a multiple re-rate through broader index inclusion  
Enabling 1 vote per Class A share still preserves SNAP as a founder controlled company

**IT IS SNAP'S CRUCIBLE MOMENT - AI CREATES A DUAL PRONGED OPPORTUNITY FOR SIGNIFICANT COST CUTS AND ACCELERATED PRODUCT DEVELOPMENT**

# 6 STEPS TO 7X (2 of 2)

AI / ML should make SNAP a double AI winner by **A** driving cost efficiencies and **B** enhancing revenue monetization



# 1 SPIN / SHUT SPECS - FIND A NEW HOME FOR SPECS OR SHUT IT DOWN



Total SNAP



Spin / Shut Specs



Core SNAP

Adjusted EBITDA (2026E)	\$1,046mm	+	\$500mm	=	\$1,546mm
(x) EV / EBITDA			6.8x EV / EBITDA		
TEV	\$7,165mm	+	\$3,422mm	=	\$10,586mm
Market Cap	\$6,638mm	+	\$3,422mm	=	\$10,059mm
Price / Share	\$3.93 / Sh.	+	\$2.03 / Sh.	=	\$5.96 / Sh.



Immediate 52% upside expected from shutting down Specs



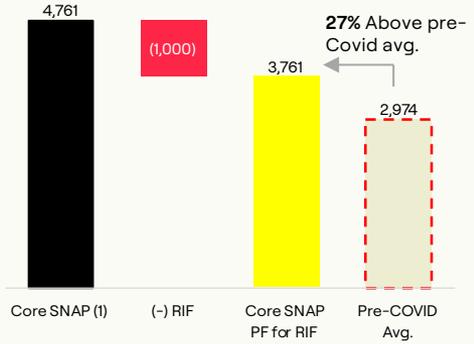
The public markets are not the right home for this type of bet. Creating a separate entity for Specs is the right start but it's time to spin it off and fund it with venture capital in the private markets. If there is no appetite then it's time to shut it down.

## 2 RATIONALIZE SNAP'S COST STRUCTURE

2023		Profitability Pivot	2,000 employee RIF 7% of workforce	Adj. EBITDA margin: 5% → 11% Stock: \$25 → \$60 (+140%)
2023		"Year of Efficiency"	22,000 employee RIF 25% of workforce	Adj. EBITDA margin: 44% → 63% Stock: \$120 → \$350 (+190%)
2026		Cost Discipline	4,000 RIF announced 40% of workforce	Margins expanding Stock re-rated +20% @ announcement
2026+		Your Turn	1,000 RIF 21% of workforce <sup>(1)</sup>	EBITDA margin uplift: +17% +\$1.64 / Sh. (+42%)

# 2 ~\$405MM IN OPERATING EXPENSE SAVINGS FROM RIGHTSIZING HEADCOUNT AND PERSONNEL COST / EMPLOYEE, AND MODIFYING SBC TO ALIGN INCENTIVES WITH PERFORMANCE BASED VESTING

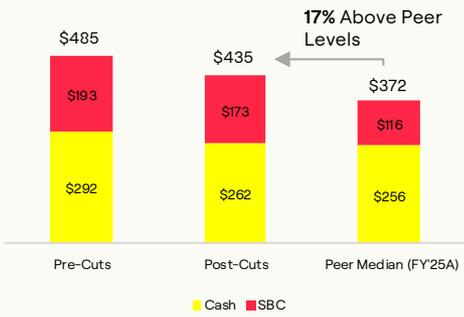
## Headcount Reductions



1,000 Employee Reduction in Force  
 @ ~\$292k cash personnel cost per Employee  
 ~\$292mm in Adj. EBITDA Uplift



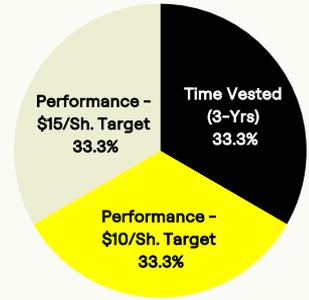
## Total Personnel Cost per Employee Rationalization



Only ~\$30k per Employee Cash Personnel  
 Cost Rationalization on ~3,800 Employees  
 ~\$113mm in Adj. EBITDA Uplift



## SBC Alignment vs. 100% Time Vested Currently



Set share price performance targets for SBC  
 Align Employees with Shareholders



**~\$405MM IN ADJ. EBITDA UPLIFT @ 6.8X EV/EBITDA → ~\$2.8BN TEV UPLIFT → +\$1.64 / SHARE UPLIFT**

# 3 IMPROVE MONETIZATION WITH RAPID AI ADOPTION

AI has dramatically shortened the technology product development cycle and SNAP has an opportunity to execute on a product led monetization growth story

SNAP has hit a monetization ceiling and underperformed the market



With aggressive AI / ML implementation SNAP can close its monetization gap to peers



AI/ML implementation should be a massive accelerant for SNAP to close its monetization gap against peers across product and technology to drive share price uplift of \$5.78 (+147%)

## Drivers of Revenue Monetization

- **Ad Tech Improvements**
  - Improve advertiser experience
  - Deliver better measurement tools and dynamic ad campaigns
  - Facilitate stronger targeting with AI
- **Ads Focused Product Development**
  - Drive user experience / flow to higher ROAS surfaces like stories and spotlight
  - Prioritize monetization of surfaces like Chat and Snap Maps
- **Drive Subs Growth**
  - Accelerate global subs adoption
  - Double subs base by reaching 10% DAU penetration

# 3 WE BELIEVE SNAP MONETIZATION CAN BE IMPROVED WITH THREE CLEAR LEVERS – AD TECH IMPROVEMENT, USER FLOW, AND SUBS GROWTH

## A Ad Tech Improvement

- ✘ SNAP lags its peers in both advertiser workflows (for SMBs and enterprise) and ROAS measurement
- ✘ Meaningful opportunity to improve Ad Tech through AI and ML efficiencies to close the gap

"Snapchat ads manager is very complicated, there are many times companies come on the platform and feel overwhelmed because there is no simple guided flow to create an ad and many times end up leaving."

– Head, SMB Onboarding, Market Participant

## B User Experience & Flow

- ✘ SNAP has a mismatch between user time spent (80% time spent in Chat, Camera, Stories, and Map) and monetized inventory (5% time spent in Spotlight videos)
- ✘ SNAP has barely monetized highly valuable surfaces such as Chat and SNAP Maps

"If you look at the time spent on all social media platforms in a day and you compare time spent versus dollars invested, SNAP is still very underinvested. Their investment should at least be at parity with their time spent versus competitors just because that's where the eyeballs are for that demographic, and so I do think there are still some opportunities within that Gen Z audience."

– Head of Industry at Competitor

## C Subs Growth

- ✘ Snapchat+ subscriptions have been the company's growth engine for the past 3 years
- ✘ SNAP should continue its focus here and further drive adoption of subscriptions

"The subscription stuff is interesting to me. There's still a lot of potential growth if they can figure out what other features they can monetize, where there will be appetite and where the audience is to be able to do so."

– SNAP Former Exec

### 3A AI SHOULD BE AN ACCELERANT FOR SNAP'S CORE ADS BUSINESS

"We're also working on merging LLMs with the recommendation systems that power Facebook, Instagram, Threads and our ad system. **Our world-class recommendation systems are already driving meaningful growth across our apps and ads business, but we think that the current systems are primitive compared to what will be possible soon.**"

- Mark Zuckerberg, Meta CEO, 4Q'25 Earnings (January 28, 2026)



"If we believe that AI technologies are going to be 2x more efficacious in 5 years, just based off of that, **if we do our job right, our system is going to be 2x more predictive for its task**, the sequence of problems that it's predicting in 5 years."

- Adam Foroughi, AppLovin CEO, MS TMT Conference 2026 (March 4, 2026)



"Our smart campaign solution suite, including smart targeting and smart budget, uses AI to identify incremental high-value audiences and dynamically allocate spend across objectives, reducing the need for manual setup and ongoing optimization."

- Evan Spiegel, SNAP CEO, 4Q'25 Earnings (February 4, 2026)



“



"As you look at glasses [in the] near term, I wouldn't expect AI to be a major accelerant..."

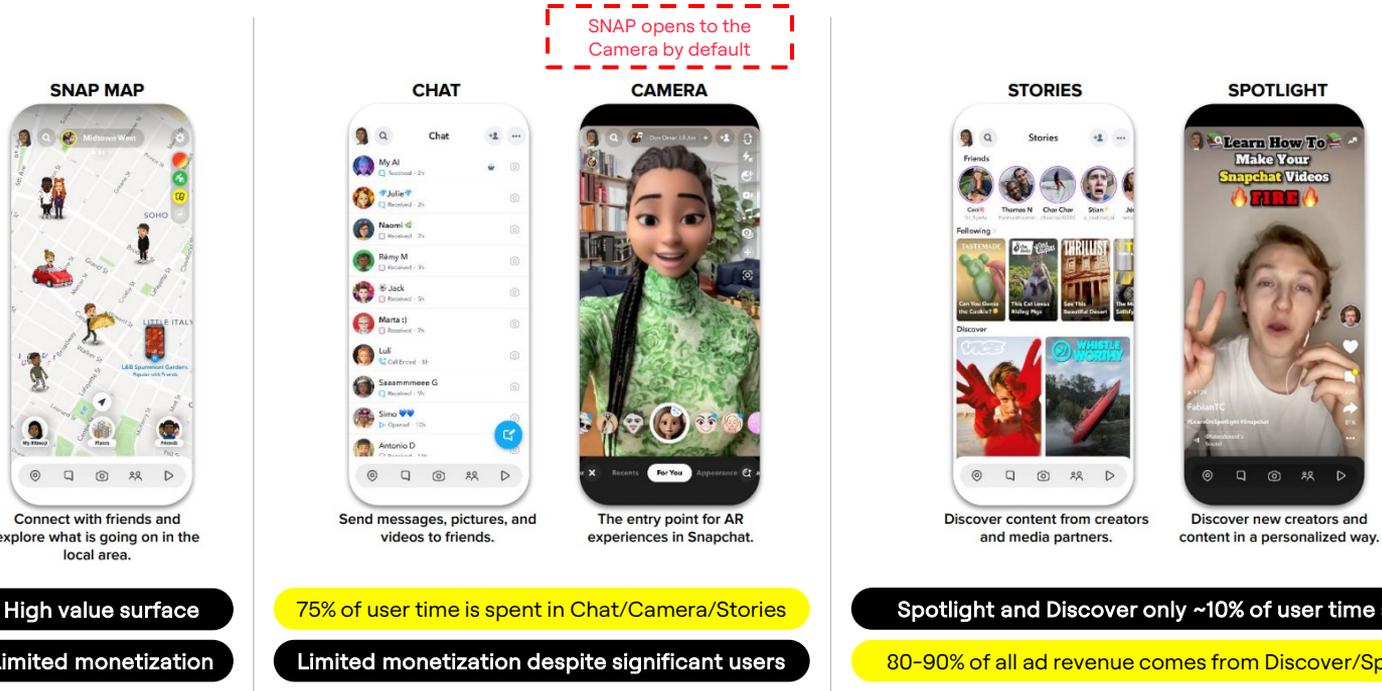
- Evan Spiegel,  
TBPN Interview  
(December 15, 2025)

”

Focus on the Advertising  
Business!

# 3B SNAPCHAT USER FLOW IS NOT SET UP TO OPTIMIZE MONETIZATION

SNAP has many unique product surfaces but is not optimized such that user attention tracks monetizable inventory, with 80% of time spent in Chat/Camera/Stories/Maps while ad inventory sits in Discover and Spotlight



# 3C SNAPCHAT+ IS A WINNER

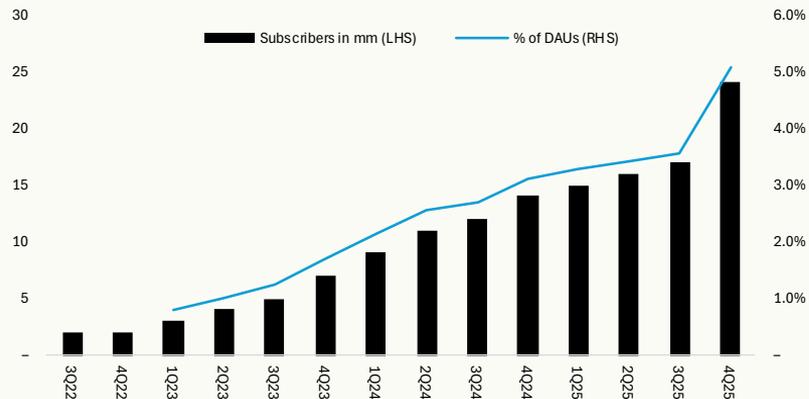
We believe SNAP's subscriptions program has been highly successful and warrants additional focus to further drive user adoption and improved monetization

## Snapchat + Overview

- Snapchat+ has been a successful product launch focused on providing value added services to its userbase (storage space, early look feature, personalization tools)
- Subscribers have reached 25mm+, driving over \$1bn of ARR for the company with further room to expand
- We believe this is a powerful lever for SNAP and continues to be underpenetrated as the entry price point is attractive and social network effects motivate users to subscribe

Plan	Price	Storage	Ads	Key Features
Memories	\$1.99	100GB	Yes	<ul style="list-style-type: none"> <li>• Expand memories storage beyond 5GB under the free version</li> </ul>
Snapchat+	\$4.99	~250GB	Yes	<ul style="list-style-type: none"> <li>• 40+ Exclusive features (customization, early access, UI perks)</li> <li>• Priority interactions, personalization tools</li> </ul>
Lens+	\$8.99	Up to 5TB	Yes	<ul style="list-style-type: none"> <li>• Everything in Snapchat+</li> <li>• Access to exclusive AR / Gen AI lenses</li> <li>• Expanding library of creator + Snap Lenses</li> </ul>
Platinum	\$14.99	Up to 5TB	No	<ul style="list-style-type: none"> <li>• Everything in Snapchat+ and Lens+</li> <li>• No story or lens ads</li> <li>• Full premium feature access</li> </ul>

## Rapid Subs Growth and Still Under Penetrated



**Snapchat+ has the potential to reach 48mm subscribers (10% of DAUs) which can drive another \$1.1bn of ARR (23mm subscribers at \$4.00 per month), representing a \$2.48 ARPDAU uplift to the business**

# 4 SNAP'S PROPRIETARY DATA IS HIGHLY VALUABLE

- > Companies are paying hundreds of millions of dollars per year for text, images, and video data to feed and train large language models
- > SNAP sits on a treasure trove of proprietary visual assets, which are constantly being refreshed with over 5 billion snaps created every day, 8 billion AR lens uses every day, 17 billion Gen AI lense engagements, 1tn memories saved since 2016, 400mm+ hours of video content and 400k+ developers building on the platform
- > This is a hard to replicate data asset that should be worth billions of dollars (\$2.01 / Sh.)

## Case Study: Niantic / Pokemon Go



Niantic has created a dedicated **geospatial AR platform** based on 30bn AR scans sourced from end users using Pokemon Go



Niantic Spatial is using its dataset to build a **geospatial AI platform** – including **mapping, localization, and scene-understanding tools**



We believe SNAP's **treasure trove of proprietary visual assets (detailed above)** represent significantly more value than anything inside Niantic and Pokemon Go

## Representative Licensing Deals



Strictly Text Based = \$60mm per Year  
\$450mm Value



Strictly Text Based = \$50mm per Year  
\$250mm Value

## Example Values Paid For Media



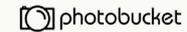
Video @ \$3/min



Video @ \$1-4/min



Video @ \$1-4/min



Images @ \$0.05-1.00



Images @ \$0.10-0.15

# 5 GREATER EARNINGS POWER ENABLES SNAP TO COMMIT TO AGGRESSIVE SHARE BUYBACKS AND AMPLIFY APPRECIATION

	Current SNAP	Lean & Fit AI Enabled	Re-rated SNAP + Buybacks
Adjusted EBITDA	\$1,046mm	+\$2.8bn → \$3,872mm	\$3,872mm
(x) EV / EBITDA	6.8x	6.8x	2x Expansion → 9.0x
Market Cap <sup>(1)</sup>	\$6,638mm	\$25,992mm	\$34,321mm
Shares Outstanding	1,689	1,689	387m Reduction → 1,302
Price / Share	\$3.93 / Sh.	+\$11.46/Sh. → \$15.39 / Sh.	+\$10.98/Sh. → \$26.37 / Sh.

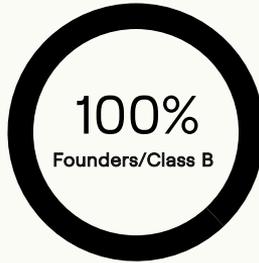
4x
1.7x

Lowering SBC, giving Class A shareholders a vote, and buybacks can unlock meaningful re-rating

By trimming its bloated cost structure and deploying AI to accelerate monetization, SNAP can generate \$3.9bn of Adj. EBITDA per year. If SNAP uses 50% of this cash to buy back shares over 3 years above normal repurchases to offset dilution, SNAP can enhance its per share value creation

## 6 CONVERT CLASS A TO 1 VOTE PER SHARE

Today: Class A = Zero Votes

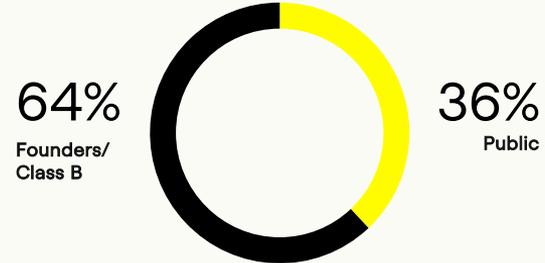


0% Public Shareholder Vote

Class A (Public): 0 votes per share  
Class B (Early Investors & Founders): 1 vote per share  
Class C (Founders): 10 votes per share



Proposed: Class A = 1 Vote



Founders Still Control

64% voting power → comfortable majority for all strategic decisions, M&A, board elections

Public Gets A Voice

36% vote share is in line with META, GOOGL, and other large tech peers with dual-class structures

**CONVERTING CLASS A TO 1 VOTE PER SHARE PRESERVES FOUNDER CONTROL WHILE PROVIDING THE PUBLIC SHAREHOLDERS A VOICE AND UNLOCKS INDEX INCLUSION AND MULTIPLE RERATE**

# 01

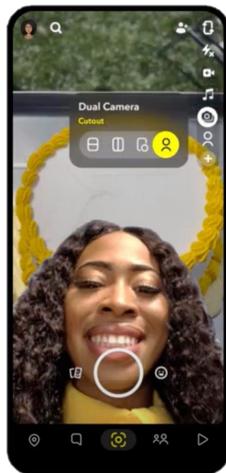
# SNAP is a Special Asset



# SNAP OWNS IRREPLACEABLE DIGITAL REAL ESTATE

Huge Community of **~946mm MAUs** and **~474mm DAUs**

Advertising Opportunity



Content Ecosystem

**~400K**

AR Lens Developers

**1mm+**

Active Content Creators

**550mm**

Monthly Spotlight Viewers

**8bn+**  
Daily AR Lens

**5bn+**  
Daily Snaps



**~75%**  
of Gen Z Across  
20+ Countries

**40x+ App Opens / Day** | **30 min Daily Time Spent Per User**

# SNAP SHOULD BE AN AI WINNER

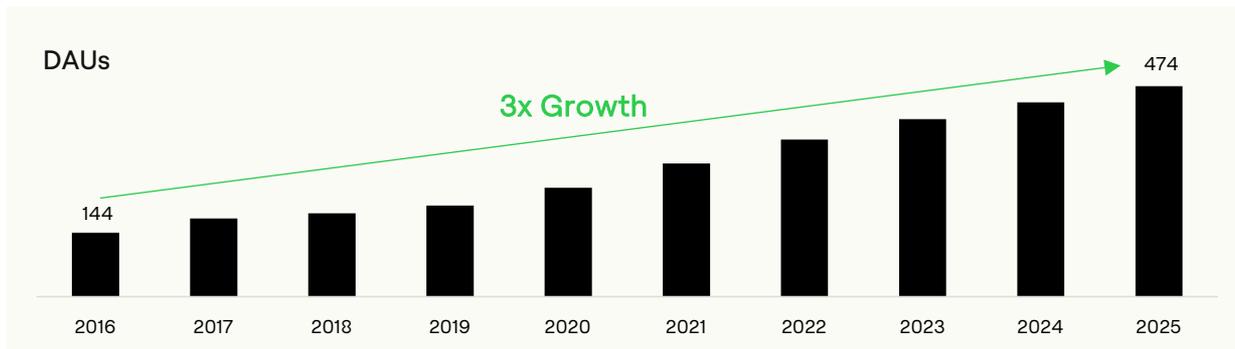
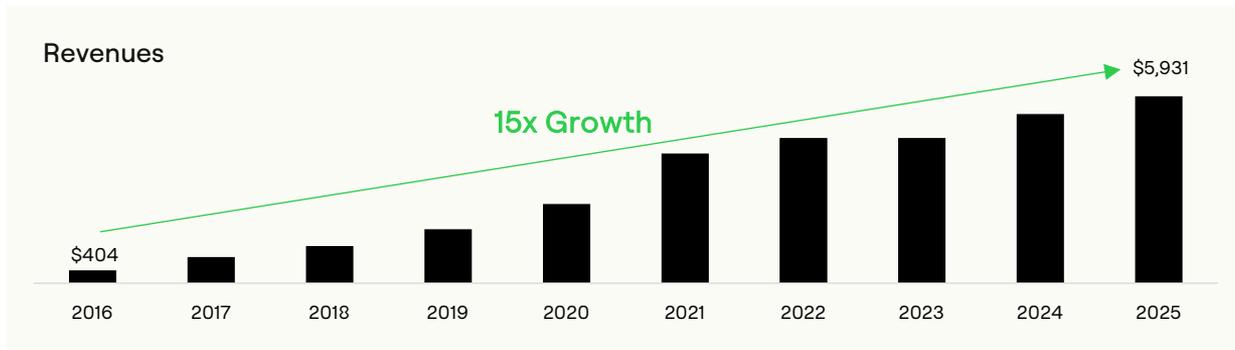
## Massive Distribution Reach

- ✔ 1 of only 4 scaled U.S. social networks
- ✔ Huge, irreplaceable scale at ~1bn MAUs
- ✔ 400mm+ MAUs engaging with Snap Maps
- ✔ 350mm users engaging with AR lenses
- ✔ 200mm users playing games
- ✔ Habitual usage with more than 40x app opens every day and 30min+ of user attention
- ✔ Unique access to younger users most likely to rapidly embrace AI, reaching 75% of users aged 13-34 in 20+ countries

## Proprietary and Scaled Data

- ✔ Family and friends social identity graphs including bidirectional relationship maps
- ✔ Treasure trove of imaging data with more than 1 trillion memories saved since 2016
- ✔ 5bn+ snaps being created per day
- ✔ 17bn engagements with Gen AI lenses capturing unique facial and object data sets
- ✔ 400,000+ developers on facial recognition applied lenses / face filters
- ✔ Proprietary real-time interest, location and commerce data
- ✔ Ad conversion feedback through proprietary measurement platforms

# SINCE IPO SNAP HAS GENERATED \$31BN+ IN REVENUE...



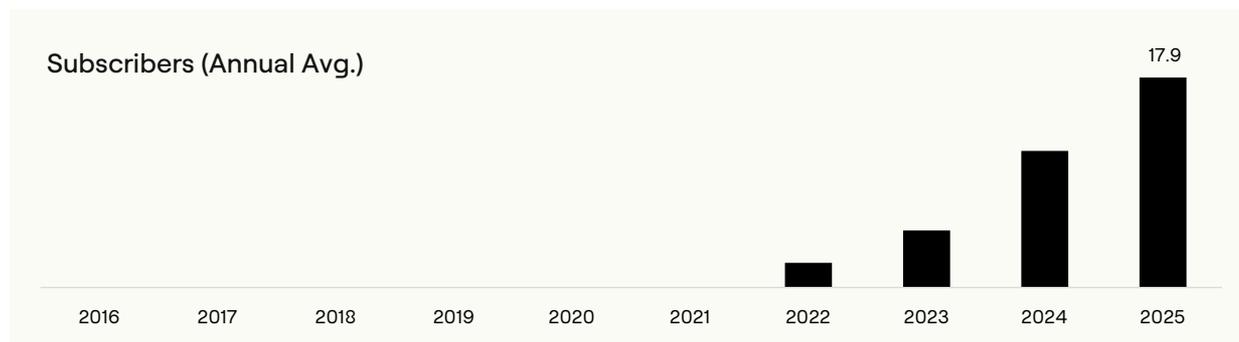
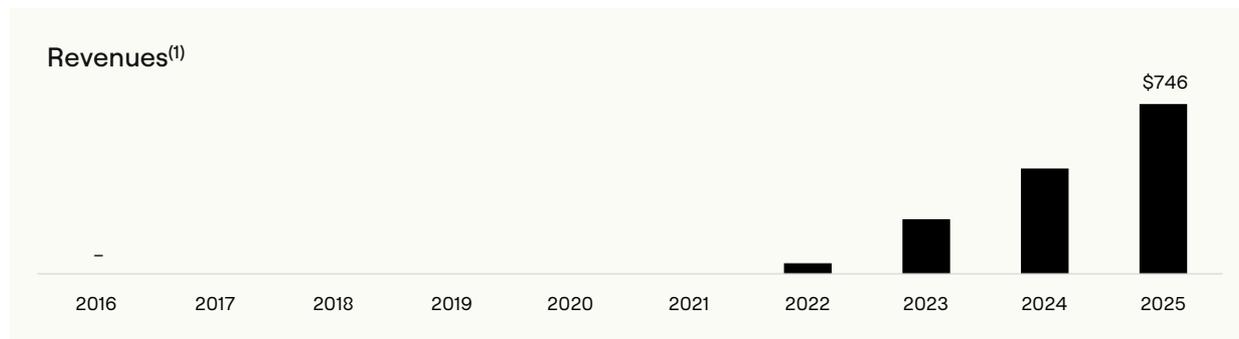
**\$31bn**

Cumulative Revenue Since 2016  
+11% YoY growth 2025 vs 2024

**474mm DAUs**

Successful Global Expansion  
North America, Europe, Rest of World

# ... WITH A RAPIDLY EXPANDING SUBSCRIPTION BUSINESS APPROACHING \$1BN+ OF ARR



**\$1bn+ 2026**

+61% YoY growth 2025 vs 2024

**18mm Subs**

Rapid expansion in just 4 years

Represents 2% of MAUs / 4% of DAUs

**25mm Subs**

Already Achieved in Q1 2026

Subscription growth is not slowing down

# 02

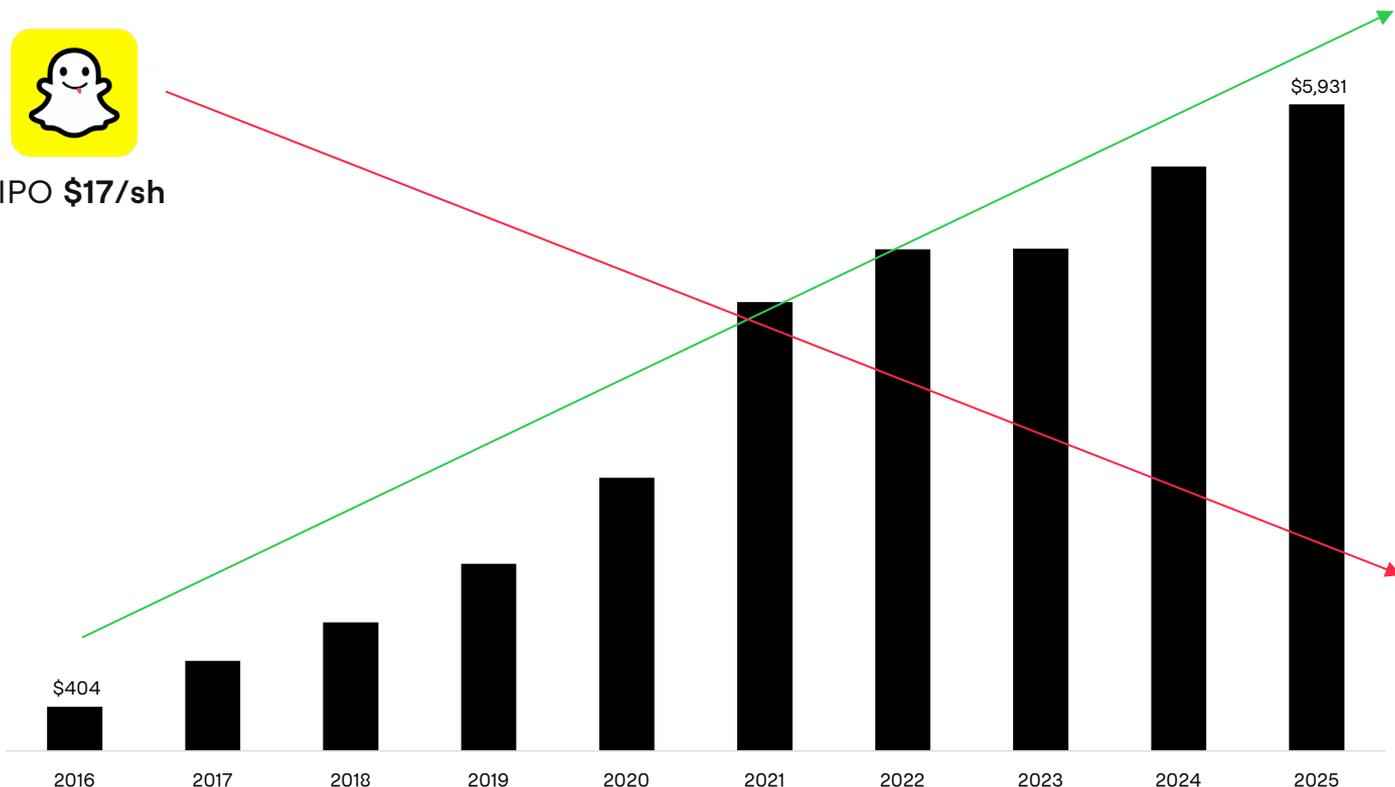
## Why Hasn't SNAP Succeeded In Public Markets?



# SNAP HAS GROWN BUT SHAREHOLDERS HAVE NOT BENEFITED



IPO \$17/sh



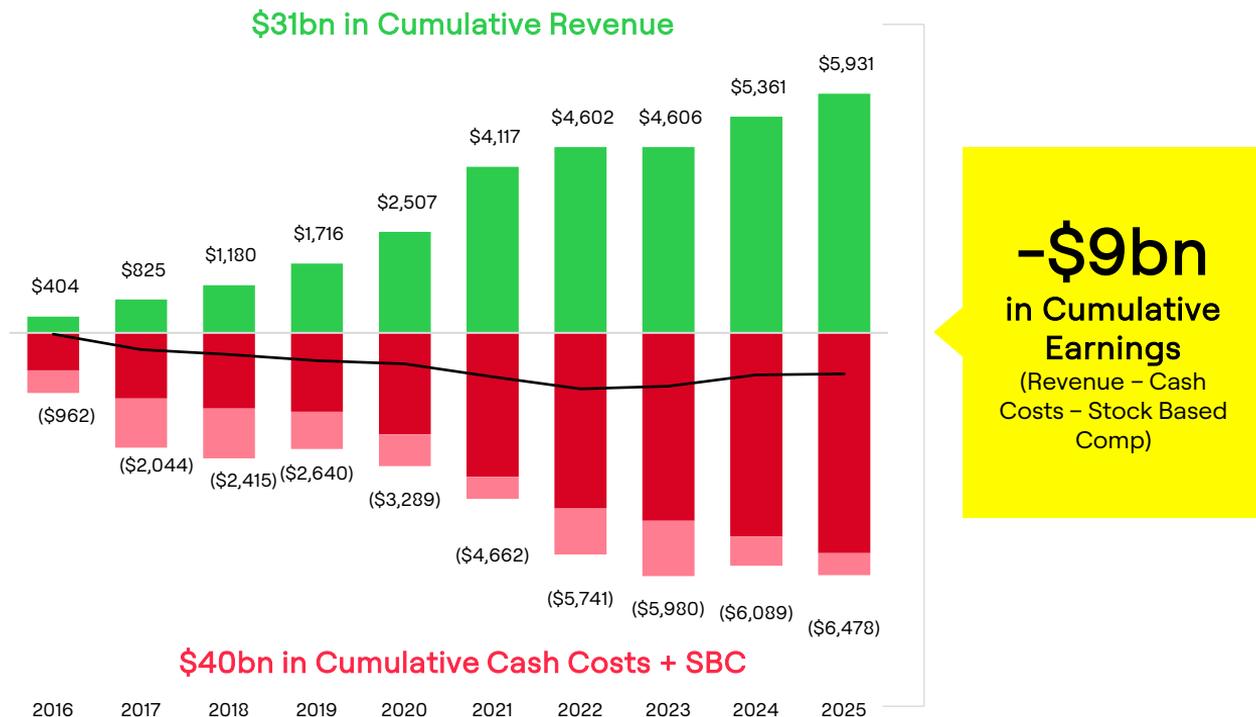
Revenues  
**15x**  
Growth

**77%**  
Stock Decline



Current \$3.93/sh

# SNAP HAS NEVER BEEN PROFITABLE SINCE IPO



Despite generating significant revenues since IPO, SNAP's cost structure had grown at an unsustainable rate and consumed all revenue generated

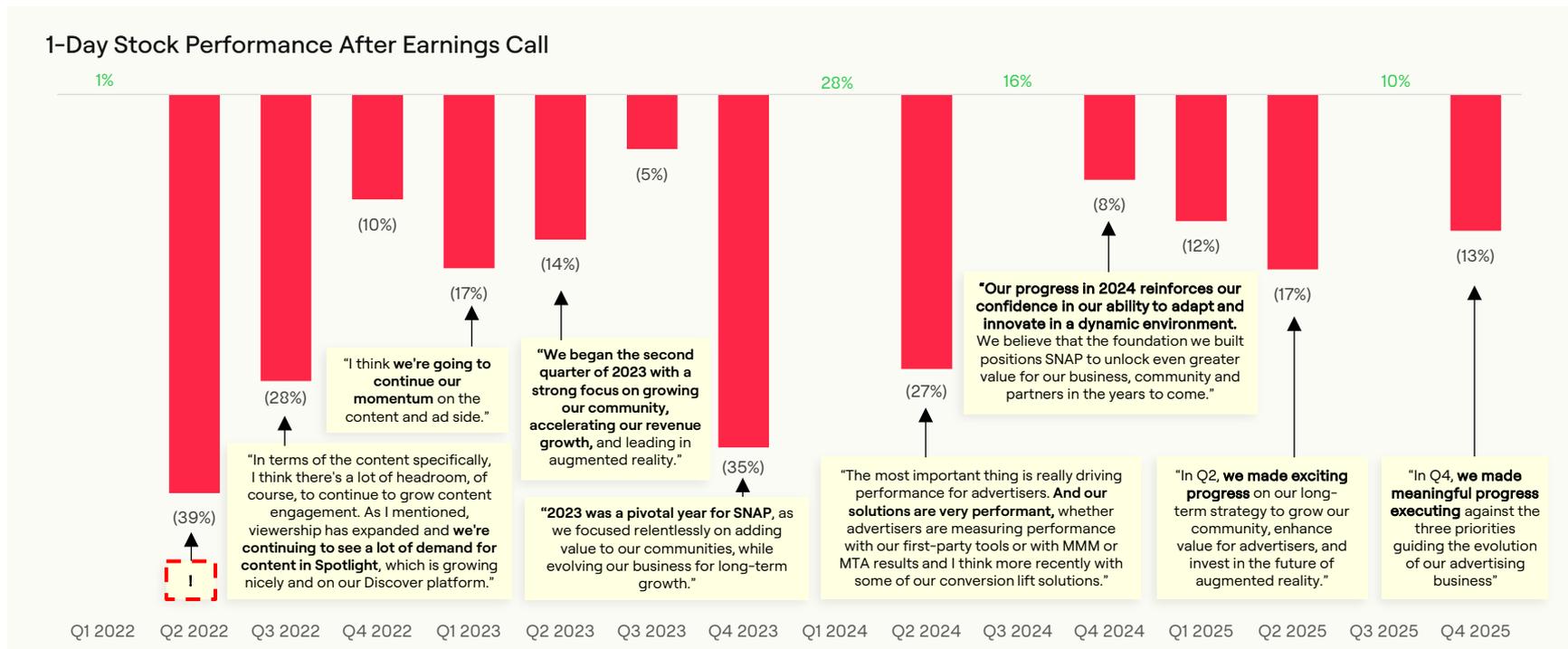
\$32bn of cumulative cash costs have consumed \$31bn of cumulative revenue and while SNAP has recently turned profitable on a "cash" basis, Stock Based Compensation remains a significant and very real expense weighing on the company

SNAP has issued over \$8bn of cumulative stock based comp structured in a way that does not align employee incentives with shareholder value creation

This has resulted in \$9bn of cumulative earnings losses since IPO and SNAP continues to lose \$0.5bn in earnings in 2025

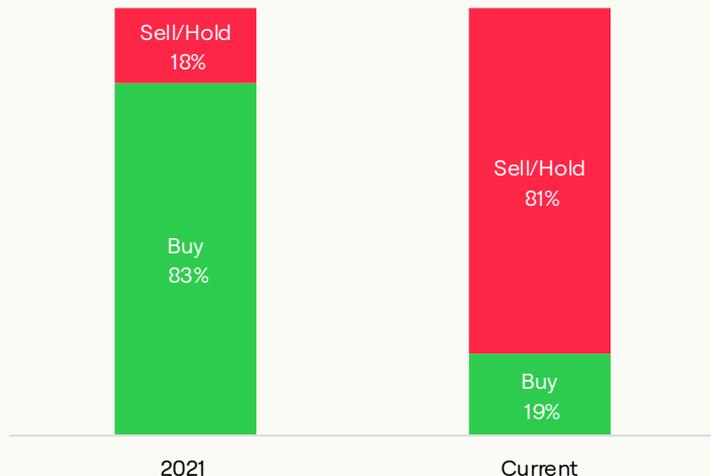
# INVESTORS HAVE TUNED OUT LEADERSHIP..

The company delivers positive commentary while actual results have led to stock declines on last 12 of 16 earnings



# ...WHICH MEANS WALL STREET ANALYST SENTIMENT HAS WEAKENED

Wall Street Analyst Ratings



"SNAP still lags on all three fronts [including having users inclined to buy products, having the ability to offer strategies to different marketing tools, and can demonstrate clear return on ad spend]. **Until those factors change, we think the company remains stuck in monetization purgatory.**"

- MoffettNathanson | August 2025

"We aren't confident of management's ability to consistently execute over several quarters."

- Roth MKM | August 2024

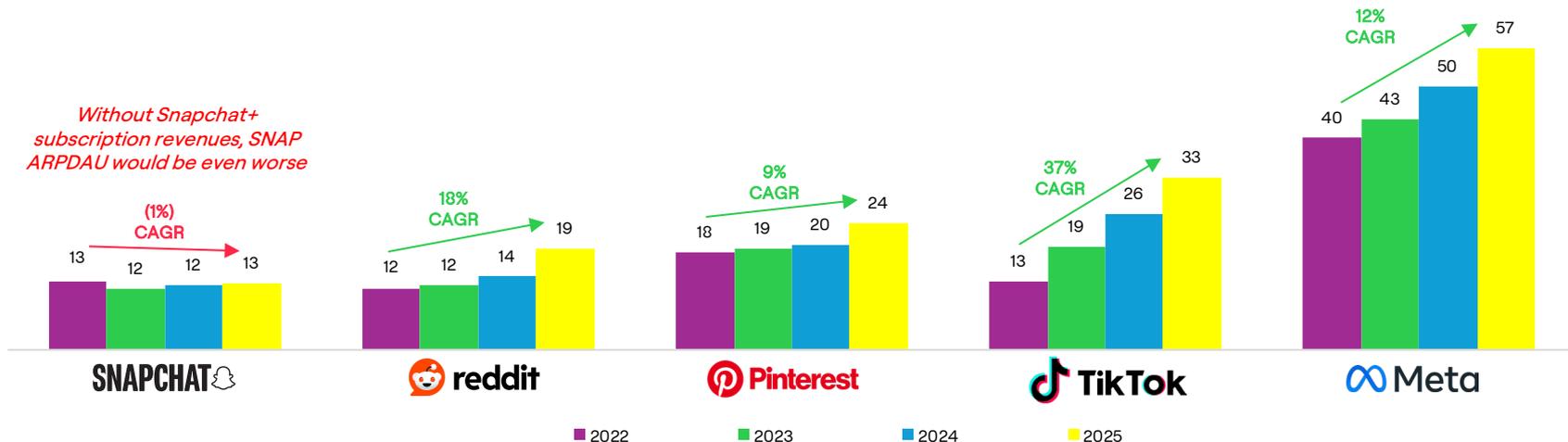
"We are tired of Snapchat's excuses for missing numbers and are no longer willing to give management 'time' to figure out monetization."

- BITG, September 2018

SHAREHOLDERS HAVE BEEN ASKING FOR SNAP TO FOCUS ON **IMPROVING MONETIZATION** SINCE 2018

# ALTHOUGH SNAP HAS SUCCEEDED IN GROWING REVENUES, THE BUSINESS CONTINUES TO BE UNDERMONETIZED RELATIVE TO PEERS

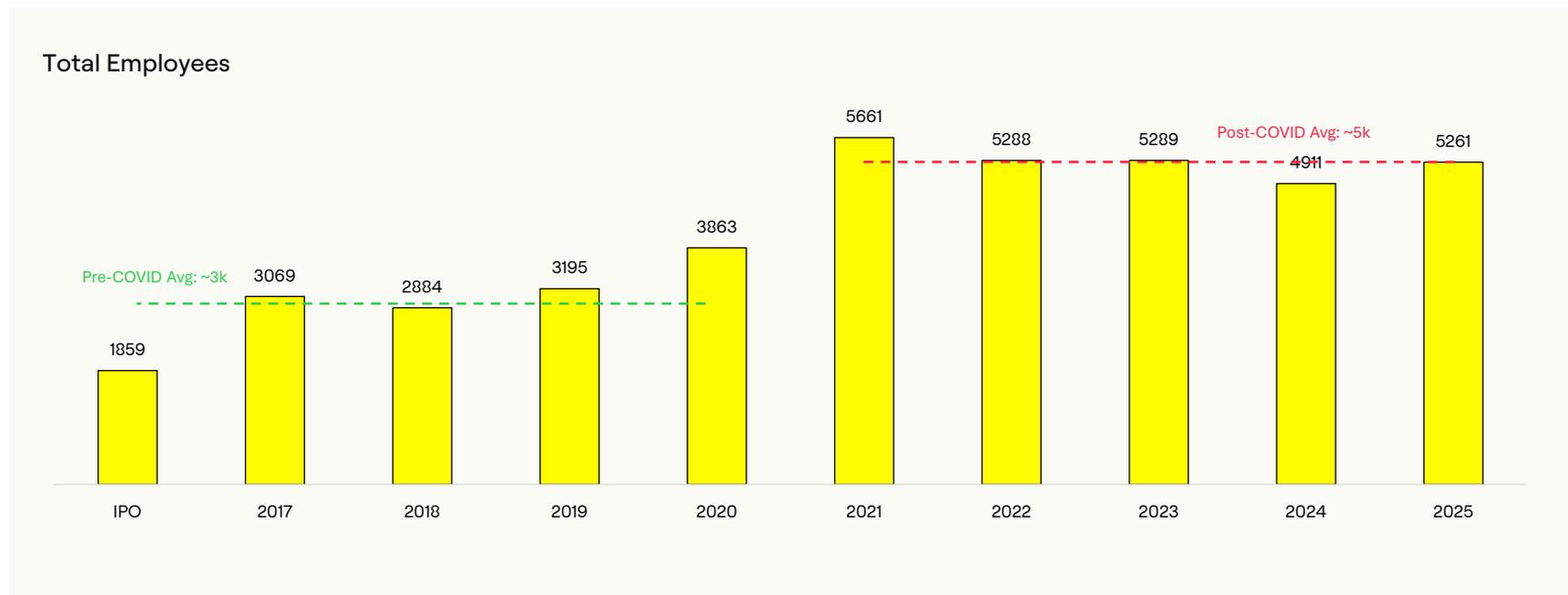
Global Annual Revenue / Avg. Daily Active User (\$)



Reddit, Pinterest, TikTok, and Meta have all experienced ARPDau growth driven by secular growth in digital advertising worldwide (13% 2022-2025 CAGR), improved user base monetization, and **accelerating efficiencies from leveraging AI**

SNAP is the only scaled digital media social network that has hit a monetization ceiling with ARPDau remaining effectively stagnant and notably below peers (30% below RDDT, 50% below PINS, 60% below TikTok, and 80% below META)

# SNAP HAS AN OPPORTUNITY TO RATIONALIZE ITS COST STRUCTURE POST-COVID

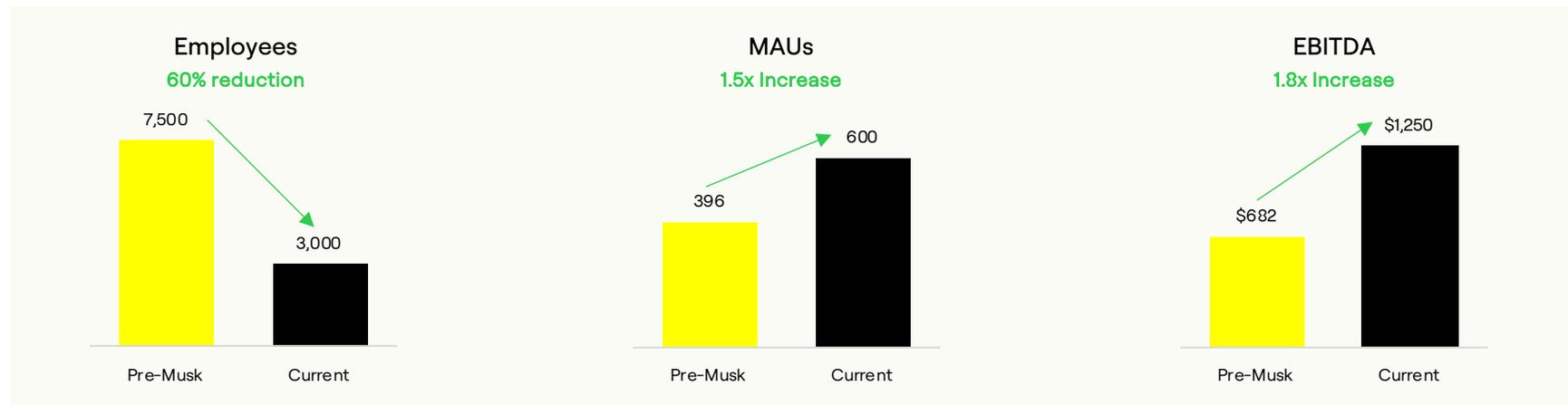


Hiring ramp-up during COVID did not get rationalized, representing meaningful opportunity for efficiency gains

# TWITTER DEMONSTRATED THAT ITS BUSINESS CAN BE OPERATED MUCH MORE EFFICIENTLY AND WITH MUCH FEWER EMPLOYEES

## Twitter Case Study

- Elon Musk's acquisition of Twitter continues to be a "best-in-class" study on lean operational excellence
- Despite executing a significant cost reduction Elon has succeeded in growing users and nearly doubling EBITDA, while also implementing substantial product improvements across AI, messaging, subscriptions, and ad monetization



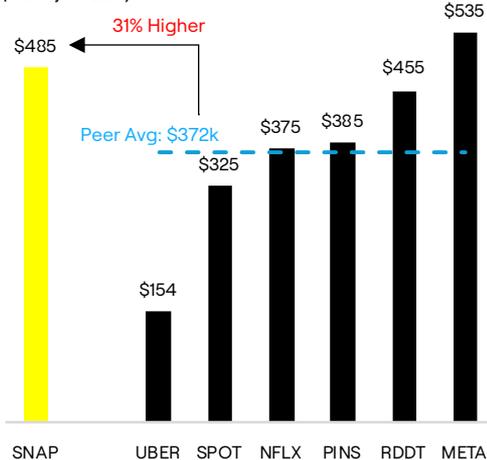
# SNAP HAS ELEVATED PERSONNEL COSTS WITH UNSUSTAINABLY HIGH SBC

SNAP's current personnel cost / employee is higher than all peers other than Meta, which operates at a much larger scale and has significantly higher margins

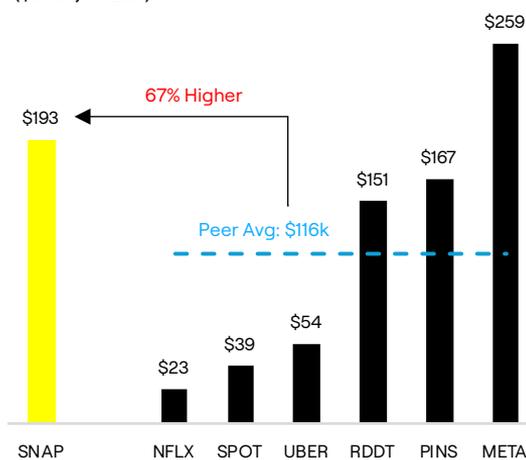
SBC per employee is a key driver of this, having always been structurally bloated at SNAP, and is meaningfully higher than all peers other than Meta

While many peers have rationalized operating expenses post-COVID ramp up, SNAP has not followed suit and is less efficient than peers

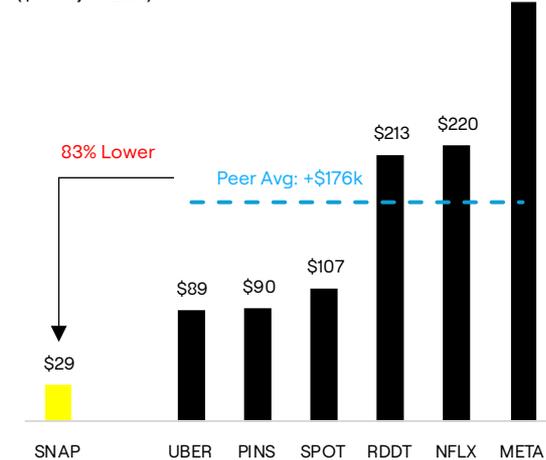
Total Personnel Costs / Employee (\$000s, FY'25A)



SBC / Employee (\$000s, FY'25A)



3-Yr Change in Gross Profit / Employee (\$000s, FY'25A)



**SNAP OVERHIRED BUT IS STILL (1) NOT GROWING AS QUICKLY AS PEERS AND (2) NOT PROFITABLE**

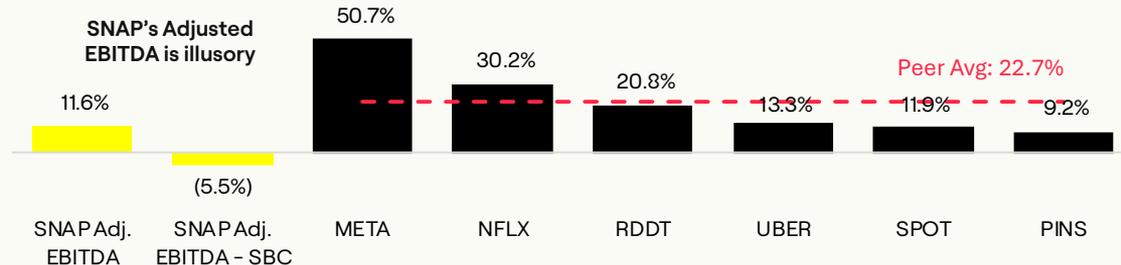
# STOCK BASED COMP IS A REAL EXPENSE, DILUTING SHAREHOLDERS 70% SINCE IPO AND LEADING TO GAAP EBITDA UNPROFITABILITY

Share Count PF for Dilution from SBC



~\$8bn of stock-based compensation issued (@ ~\$10.55 /share) represents more than SNAP's current market capitalization (\$6.6bn)

SNAP vs. Peer Adj. EBITDA – SBC Margin (FY2025A)



SNAP is the only one with negative Adjusted EBITDA-SBC relative to all its peers

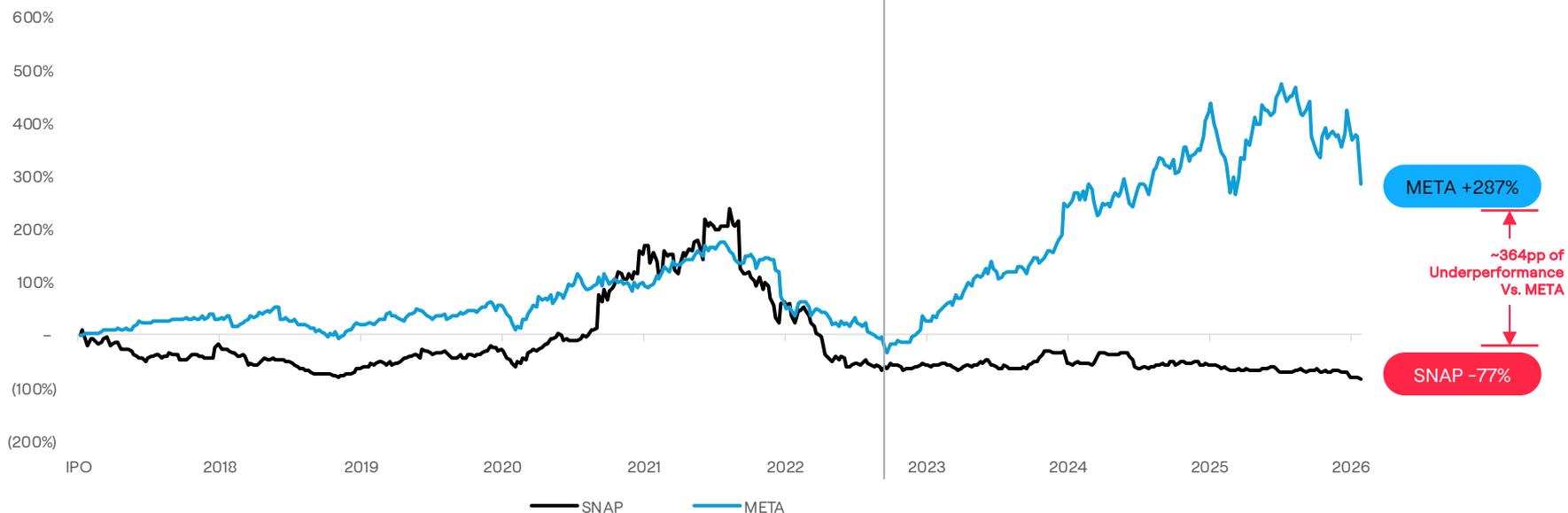
# SNAP'S COST STRUCTURE NEEDS TO BE RATIONALIZED

SNAP performance historically tracked META

Nov 2022 META announces "Year of Efficiency"

**Results:**  
EBITDA margin: 30%+ → 50%+  
FCF: \$19bn → \$46bn

Cumulative Total Shareholder Returns since SNAP IPO (%)



# SNAP'S GOVERNANCE IS UNIQUELY POOR: ZERO VOTES FOR PUBLIC SHAREHOLDERS

## SNAP Governance Overview

SNAP has a 3-Class share structure, which is seen in large public tech companies including Snap's peers

**Class A (1,435mm shares)** = Public Shareholders, **0 Votes / Share**  
**Class B (23mm shares)** = Early Investors & Founders **1 Vote / Share**  
**Class C (232mm shares)** = Founders Evan Spiegel and Bobby Murphy **10 Votes / Share**

However, SNAP is unique given public **Class A** shareholders own **85% of SNAP's economics while having 0% of the votes**

## All other companies give public shareholders a vote

Even dual-class companies like Meta and Alphabet give public shareholders 1 vote per share. Only SNAP gives public shareholders ZERO votes. This is an outlier governance structure that has no parallel among U.S. public companies and should be reformed.

Company	Share Class Structure	Public Share Voting Rights	Founder Control (%)	Russell Indices Eligible?	Change in Share Price vs 3/2/17 <sup>(1)</sup>
SNAP	3-Class	ZERO	~99%	NO	-77%
Meta	Dual-Class	1 vote/share	~61%	YES	+287%
Alphabet	3-Class	1 vote/share	~52%	YES	+551%
Pinterest	Dual-Class	1 vote/share	~70%	YES	(7%)
Roblox	Dual-Class	1 vote/share	~61%	YES	+16%
Uber	Single Class	1 vote/share	N/A	YES	+54%
Spotify	Dual-Class	1 vote/share	~69%	YES	+258%



Enabling 1 vote per Class A shareholder gives 36% voting power to the public while founders still retain 64% control

Providing the public a vote also allows for index inclusion in the Russell Indices which will be accretive to SNAP's share price

# 03

## SNAP has the Potential to be a Great Company



# 6 STEPS TO 7X (1 of 2)



## Cost Improvements

### 1 Spin / Shut Specs

Save \$500mm cash annually  
Focus the company on what it does best and avoid distractions

### 2 Rationalize Costs

AI can and should replace many existing roles  
Execute on a 1,000 person RIF to get fit and competitive  
Empower your highest performers



## Monetization

### 3 Improve Monetization

AI will massively accelerate product development and enhance advertising monetization tools  
Product led improvements across users, advertisers, and subscriptions to break out of SNAP's monetization ceiling

### 4 Deploy AI Properly

Monetize SNAP's proprietary AI datasets  
Concentrate AI partnerships on clear winners like Gemini, OpenAI, and Anthropic



## Governance

### 5 Commit to Investing in Safety and Capital Return

Use newfound cash and profitability to further invest in privacy, safety, and parental controls  
Allocate new cash flow generation to capital return and demonstrate conviction in SNAP's valuation

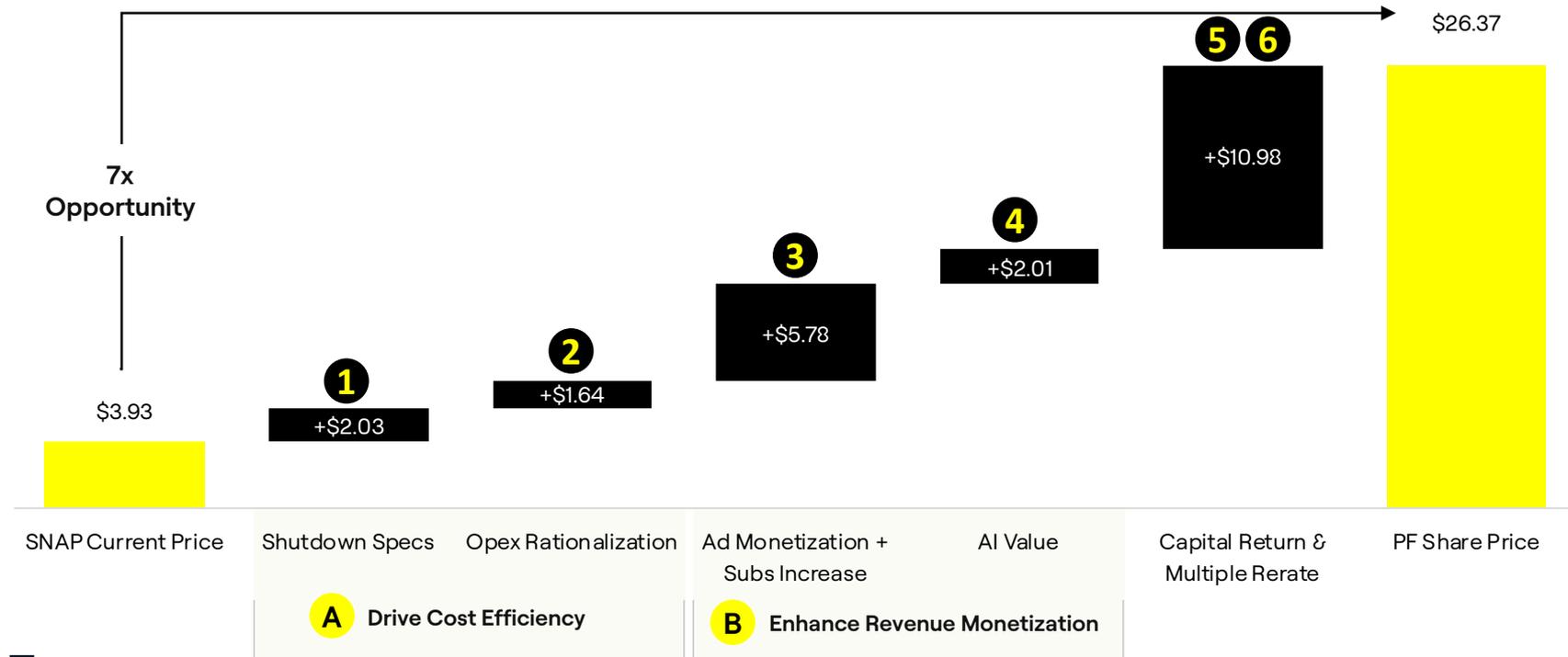
### 6 Improve Corporate Governance

Giving shareholders a vote can unlock a multiple re-rate through broader index inclusion  
Enabling 1 vote per Class A share still preserves SNAP as a founder controlled company

**IT IS SNAP'S CRUCIBLE MOMENT – AI CREATES A DUAL PRONGED OPPORTUNITY FOR SIGNIFICANT COST CUTS AND ACCELERATED PRODUCT DEVELOPMENT**

# 6 STEPS TO 7X (2 of 2)

AI / ML should make SNAP a double AI winner by **A** driving cost efficiencies and **B** enhancing revenue monetization



01

Spin / Shut  
Specs

# WE BELIEVE SNAP SHOULD NOT BE SPENDING \$500 MILLION PER YEAR ON SPECS

- SNAP has spent more than \$3.5bn<sup>(1)</sup> on Specs since IPO on AR hardware, or 22% of its cumulative R&D budget over the same period
- We estimate that SNAP is spending at least \$500mm of cash in 2026 on Specs<sup>(2)</sup>, or 35% of Pre-Specs Adjusted EBITDA which is both (1) grossly excessive compared to Meta's 12% of Pre-Reality Labs Adjusted EBITDA and (2) wholly inadequate vs Meta's \$19bn per year on Reality Labs
- SNAP has never provided shareholders with a detailed business case, projected ROI, or timeline for Specs to generate returns
- This is \$3.5bn+ of shareholder capital deployed and is especially notable given the magnitude of spend per year relative to SNAP's market cap (8%)<sup>(3)</sup>

WE BELIEVE THIS IS THE #1 ISSUE WEIGHING ON SNAP'S SHARE PRICE

Source: Public Company Filings, Company Events and Presentations

(1) \$275mm average annual historical spend over 11-years; also includes ~\$500mm paid for WaveOptics acquisition;

Assumes spend ramped up as % of R&D over 11 years

(2) \$275mm historical run-rate Specs spend stepping up to \$500mm cash and \$200mm SBC per year starting 2026, based on mgmt. guidance of \$500mm step up in cash opex for 2026 vs. 2025 related to Specs

(3) \$500mm estimated run-rate cash spend over current market capitalization of \$6.6bn



When do you think selling Spectacles becomes a meaningful business for SNAP.... Early 2030s?

"We think by the **end of this decade**"

-Evan Spiegel,  
The Verge Interview  
(September 18, 2024)

+52%

Immediate share price  
uplift from shutting down  
Specs

# 01 SPECTACLES – SNAP’S PLAY ON AUGMENTED REALITY HARDWARE?

Spin / Shut  
Specs

\$3.5bn+ invested over 11 years with negligible consumer sales and no viable consumer product to date

## Spectacles Product Timeline



### What is Specs?

SNAP’s Specs are standalone AR glasses powered by Snap OS, representing a decade-long strategic bet on see-through spatial computing

Despite 5 iterations and a shift towards high-end optics, the product has sold less than 400k units, underperforming sales goals

# 01

Spin / Shut  
Specs

# BUT THE UNAUGMENTED FINANCIAL REALITY OF SPECS' "RETURN ON INVESTMENT" IS DIFFICULT TO JUSTIFY

Specs should deliver at least a 5x on investment over 15 years to justify cost

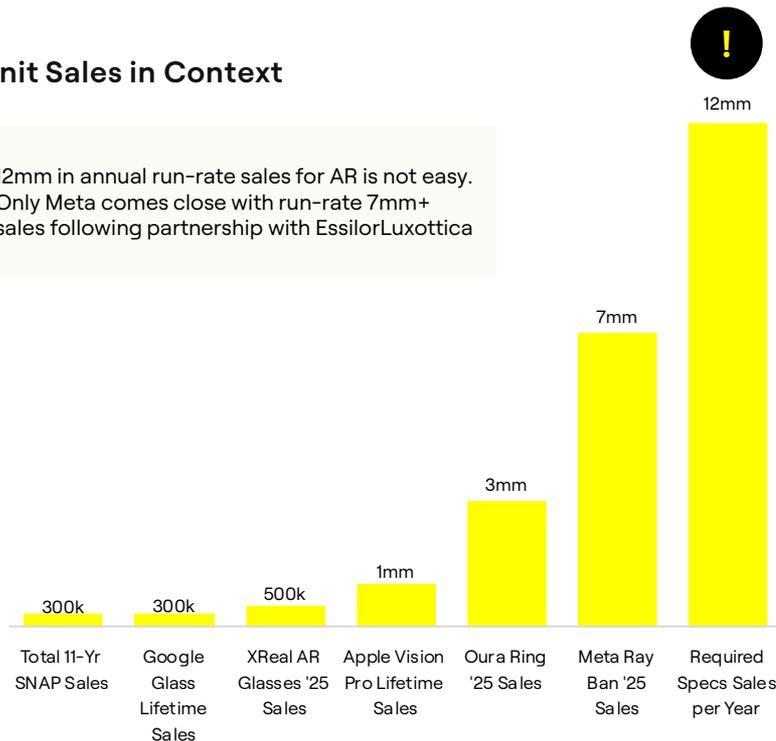


But a \$30bn valuation requires significant sales

Specs Valuation (\$mm)	\$30,000
Revenue Multiple	5.0x
Annual Revenue (\$mm)	\$6,000
Assumed Unit Price	\$500
Annual Unit Sales	12 million

Unit Sales in Context

12mm in annual run-rate sales for AR is not easy. Only Meta comes close with run-rate 7mm+ sales following partnership with EssilorLuxottica



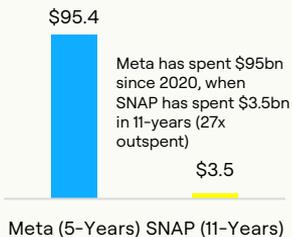
01

Spin / Shut Specs

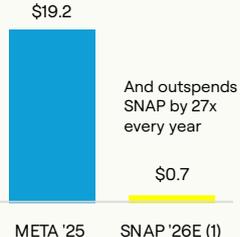
# AND SNAP SIMPLY CANNOT COMPETE WITH BETTER CAPITALIZED PEERS

## SNAP is outspent and outproduced by Meta

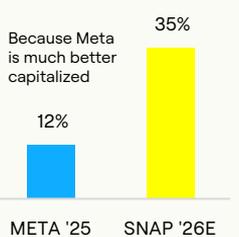
Total Specs / Reality Labs Spend (\$bn)



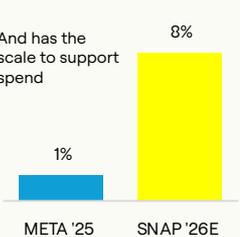
Total Specs / Reality Labs Spend (\$bn)



Cash Spend as a % of Adjusted EBITDA<sup>(2)</sup>



Cash Spend as a % of Current Market Cap



## So Meta is producing a drastically better product

	Product	Price	Battery	Weight	Status
Meta	Ray Ban Display	\$799	6 Hours	69g	Consumer
Meta	Orion	N/A (Prototype)	2-3 Hours	98g	Prototype (Eventually Consumer)
Snapchat	Specs Gen 6	\$99/mo.	45 minutes	226g	Dev. Only

Source: Public Company Filings, Events and Presentations, Earnings Call Transcripts, Analyst Research, Road to VR, Market Caps as of 3/27/2026

(1) Reflects \$500mm of run-rate cash spend + \$200mm run-rate SBC allocated to Specs

(2) For Meta, reflects \$18bn of '25 Reality Labs cash spend over \$143bn (\$125bn Adj. EBITDA + \$18bn reality labs spend add-back); For SNAP, reflects \$500mm of '26E cash specs spend over \$1.4bn (\$950mm Adj. EBITDA + \$500mm specs spend add-back)

Much larger players and VCs have clearly deprioritized the space

→ Discontinued Google Glass

Market Cap: \$3.3tn  
'25 Adj. EBITDA: \$174bn

→ Deprioritized Vision Pro

Market Cap: \$3.7tn  
'25 Adj. EBITDA: \$144bn

→ No commercial traction with HoloLens

Market Cap: \$2.7tn  
'25 Adj. EBITDA: \$158bn

→ Winding down operations

Sold ~6k units against goal of 100k  
A \$4.5bn Failed Endeavor

# 01 WITH SIGNIFICANT AND ACCELERATING COMPETITION FROM CHINA

Spin / Shut  
Specs

## XREAL



\$1bn Valuation

Project Aura: 70°  
FoV AR glasses w/  
Google Android XR

Backed by Alibaba,  
Sequoia

 xiaomi



~\$109bn Market  
Cap

Xiaomi Smart  
Glasses:  
AI-powered w/  
integrated camera  
& translation

 RayNeo



~\$13bn Market  
Cap (TCL Tech)

X3 Pro: binocular  
micro-LED, 6,000 nit  
display, Gemini AI

Air 4 Pro: first HDR10  
AR glasses

  
HUAWEI



Private  
(\$120bn+ Rev.)

Smart Glasses 2:  
AI translation,  
voice, HarmonyOS  
ecosystem

2026 model adds  
camera, 11hr  
battery

## Rokid



\$1bn Valuation

AR Glasses Style:  
screenless AI  
glasses

\$600M+ raised

## INN



>\$150mm  
(VC-Backed)

Air3: world's first 10P  
waveguide  
all-in-one AR glasses

GO2: 40-language  
real-time translation;  
Snapdragon XR  
platform

# 01 EMPLOYEES AND THE COMMUNITY DON'T BELIEVE IN THE STORY

Spin / Shut  
Specs

Specs skepticism is not exclusive to Wall Street, but shared by internal team members and end-users

## Employee Departures



**Scott Myers**

SVP, Specs (Hardware)  
Left Feb 2026

Top exec overseeing Spectacles consumer launch. Left after reported strategy dispute with CEO Spiegel. Had been at SNAP 6 years (ex-SpaceX, Apple, Nokia).

→ Departure came weeks after Specs Inc. spin-off



**Eric Young**

SVP of Engineering  
Left Aug 2025

Led all engineering. Previously VP Engineering at Google (7 yrs) and Amazon (15 yrs). Left after just 2 years at SNAP.

## Former Employees

”

“Depending on who you talk to, **I would have sold the Spectacles business long ago and just focused on the ad platform.** It’s definitely a safer option... it was clear to anybody who was there that **if we spun off the Spectacles business or sold it, the ads business would have been seen a lot more favorably versus the competitive set.**”

- Former SNAP Executive

“I think [spinning off Spectacles] is something they should have done a long time ago, honestly, because it just felt like you’re working at two different companies and it also felt like you’ve got competing business interests competing for resources.”

- Former SNAP Executive

## Community

Snap’s Spectacles in their current form are weirdly bulky and have a limited vertical field of view that feels like projecting a phone screen in the air. They can’t accommodate my prescription yet, either, so I had to make do with a step-down insert and squint a bit. But their hand-tracking and 3D spatial features feel, at best, like a mini version of the [Quest 3](#) and [Vision Pro](#). But I’d want smaller glasses, ones that work with my eyes...and ones I could wear all the time. It’s unclear how close Snap will get to those goals.

- Scott Stein, Sept 16, 2025 (CNET Review)

MalenfanX · 1mo ago

Those enormous things are not ready for release. Leaving the company seems like a good idea.

RookiePrime · 1mo ago

An ominous portent. This isn’t a side of XR that I’m terribly interested in, but I can see how important it is, and I bet tensions are high over at Snap, to try to make this work. They have a chance, still, to get in early while the only competitor is Facebook. Build up an audience before Apple, Samsung, Amazon, etc, come swaggering in. And I could see the exact strategy of how to execute on that being both of incredible importance to each person making the decisions at Snap, but also incredibly varied. So it’s not hard to picture the rumour of a blow-up having validity to it.



**Sterling Crispin**  
@sterlingcrispin

Subscribe



I worked on these for about a year at Snap, and I have a million negative things to say about the experience and the device, but I think the product speaks for itself and is obviously bad.

4:06 PM · Sep 18, 2024 · 1.5M Views

## Research

”

“SNAP’s product is **bulkier / less comfy with a lower battery life that limit usage frequency** needed for habit forming / stickiness”

- Consultant Research

“Meta’s product points to a **broader and more durable value proposition:** navigation, AI assistant, messaging, productivity, and more general-purpose computing use cases”

- Consultant Research

01

Spin / Shut  
Specs

# A 16-YEAR-OLD'S INVESTMENT MEMO GOT IT RIGHT – THE TIME TO ACT IS NOW

## Move from a 'Camera Company' to a 'Profits Company'

As a high schooler, I have watched Snapchat's primary users use the app to communicate with friends and send photos, sharing their experiences. The camera is no doubt essential, but only essential with the normal, everyday features as well as the basic lenses Snapchat has offered since 2015. Whether or not there are complex AR features embedded into SNAP's camera will not alter the number of DAUs. SNAP proclaims itself to be a 'Camera Company,' but that is not what the users consider SNAP to be. The app is used for communications and some basic camera functionality, so SNAP's statement that they are solely a 'Camera Company' is misaligned with how the app is used. Therefore, SNAP should decrease the R&D budget related to advancing their cameras, and sell the Spectacles and Camera Kit projects as well as decrease general AR spending. Instead, SNAP should focus its spending to ensure it is always enhancing the monetization of Snapchat's user base.

While a form of AR glasses like SNAP's Spectacles could hold relevance 5-10 years from now, until then, **the development of these glasses will serve as a huge cash burn and distraction from monetizing SNAP's vast userbase. However, even once the Spectacles are at their proper stage, years from now, it does not make sense to believe that SNAP's products will be able to compete with Meta's, or other behemoths in the AR/VR space such as Microsoft. For example, Meta alone is spending three times SNAP's revenue to create similar technologies, primarily with a VR focus. For Spectacles to be able to compete, SNAP will need to plow huge amounts of money into a segment separate from its key line of business, for a gamble on potential future returns on investment. This simply doesn't make sense, especially since the glasses are completely separate from enhancing the core Snapchat app, which is why investors are investing in SNAP. If management believes in having a Spectacles offering, why not be a fast follower and adapt or license someone else's technology that has a core focus and a true right to win in AR glasses?**

Camera Kit, a service that allows third-party mobile applications to license SNAP's AR technology to use in their own apps, is certainly an exciting business. However, it too is highly separate from the Snapchat app. The level of AR advancements that Snap AR is developing, partially to add to Camera Kit, but also to be used in the Snapchat app, are unnecessary for the vast majority of Snapchat's use cases. Hiring developers to create these technologies appears to be an expensive distraction that is keeping the core Snapchat business from becoming profitable. While some of the features that Snap AR is developing, such as AR Shopping capabilities, will likely become valuable down the line, **it doesn't make sense for SNAP to sacrifice its profitability to build these features in-house. So, SNAP should agree with the acquirer of Camera Kit to license the technology or license it from another third party, while cutting R&D at Snap AR drastically.**

**I suggest that instead of letting these two businesses eat through cash, pushing SNAP away from profitability while distracting management from monetizing Snapchat, SNAP should work to divest the Spectacles and Camera Kit segments.** Given both of these businesses have made intriguing technological advancements, it is easy to foresee Meta, Google, Microsoft, or another large company working to advance into the AR space, scooping up one of the two to take advantage of the technological advancements.

**Once these two businesses are out of the picture and SNAP limits its AR spending to just maintain its current lens features, it will be able to cut its R&D spending drastically. SNAP will then be able to thin down its staff of developers who were previously working to develop AR technologies for Spectacles and Camera Kit. After cutting this R&D spending and these developers, SNAP should be able to drive considerable profitability by focusing on their key business of Snapchat.**

- Blake Zilberman, Zorik Capital Management, December 22, 2022

**SNAP's core audience doesn't see Specs as a viable business strategy**

”

“SNAP's statement that they are solely a 'Camera Company' is misaligned with how the app is used.”

“...it doesn't make sense for SNAP to sacrifice its profitability to build these features in-house. So, SNAP should agree with the acquirer of Camera Kit to license the technology or license it from another third party, while cutting R&D at Snap AR drastically.”

“I suggest that instead of letting these two businesses eat through cash, pushing SNAP away from profitability while distracting management from monetizing Snapchat, SNAP should work to divest the Spectacles and Camera Kit segments.”

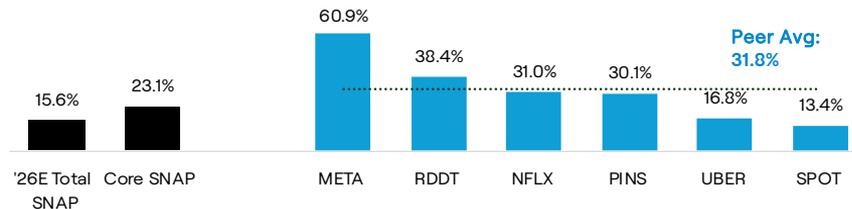
## 02

Rationalize The  
Cost Structure

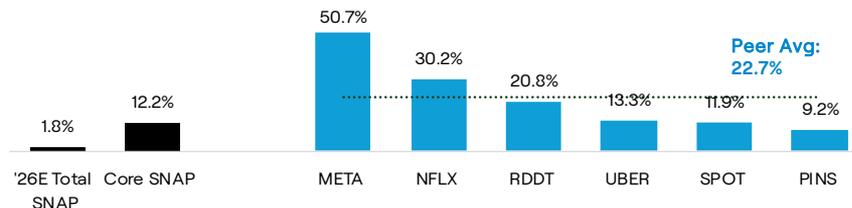
# WHILE SHUTTING DOWN SPECS IS A START, SNAP'S P&L CONTINUES TO BE LESS PROFITABLE THAN PEERS

SNAP Pro-Forma P&L (FY2026E)	Total SNAP	Spin / Shut Specs	Core SNAP
Revenue	\$6,704		\$6,704
<b>Gross Profit</b>	<b>\$3,979</b>		<b>\$3,979</b>
% Gross Margin	59.4%		59.4%
(-) Cash Opex	(2,933)	500	(2,434)
<b>Adjusted EBITDA</b>	<b>\$1,046</b>	<b>\$500</b>	<b>\$1,546</b>
% Margin	15.6%		23.1%
Peer Avg. (FY2025A)			31.8%
(-) SBC	(928)	200	(728)
<b>Adjusted EBITDA - SBC</b>	<b>\$118</b>	<b>\$700</b>	<b>\$818</b>
% Margin	1.8%		12.2%
Peer Avg. (FY2025A)			22.7%

Adj. EBITDA Margins (FY2025A for Peers)



Adj. EBITDA - SBC Margins (FY2025A for Peers)



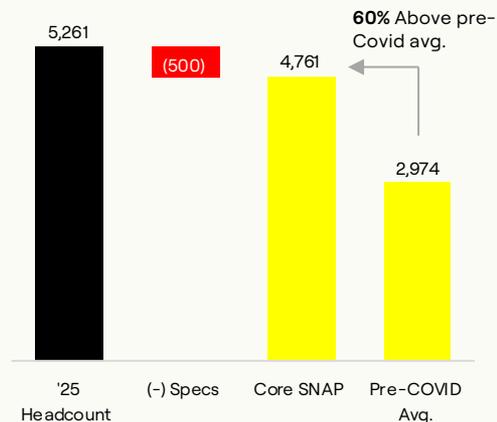
**STRIPPING OUT SPECTACLES ENTIRELY, SNAP STILL GENERATES ONLY 23% ADJ. EBITDA MARGIN VS. 30%+ FOR PEERS. THE PROBLEM IS NOT JUST SPECTACLES – BROAD OPEX DISCIPLINE IS NEEDED ACROSS THE ORGANIZATION.**

# 02

Rationalize The Cost Structure

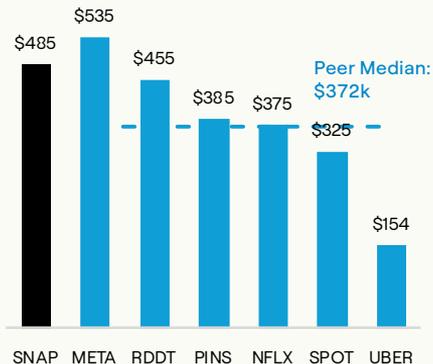
# HEADCOUNT, PERSONNEL COSTS PER EMPLOYEE, AND SBC CONTINUE TO BE BLOATED EVEN WITHOUT SPECS

## Headcount



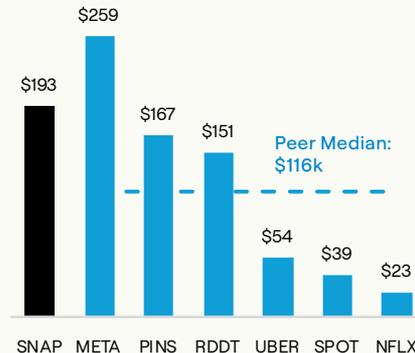
Even excluding Specs, **Core SNAP headcount is still 60% elevated vs. pre-COVID levels**

## Personnel Cost / Employee (\$000, FY'25A)



SNAP's opex is bloated on a per employee basis, with PF Core SNAP opex being **31% higher than the peer median and only second to Meta**

## SBC / Employee (\$000, FY'25A)



SNAP's bloated SBC per employee of is **67% higher than peers, only second to Meta**, and a significant drag on total opex and GAAP EBITDA

# THE WHOLE INDUSTRY IS EXECUTING ON AI RELATED EFFICIENCY GAINS. THE TIME TO TAKE ACTION ON COSTS IS NOW

”

“The core thesis is simple. Intelligence tools have changed what it means to build and run a company. **We're already seeing it internally. A significantly smaller team, using the tools we're building, can do more and do it better. And intelligence tool capabilities are compounding faster every week.** I don't think we're early to this realization. I think most companies are late. **Within the next year, I believe the majority of companies will reach the same conclusion and make similar structural changes.** I'd rather get there honestly and on our own terms than be forced into it reactively.”

- Jack Dorsey, Block CEO,  
4Q'25 Shareholder Letter  
(February 26, 2026)



”

“The last thing that I want to mention is that I think that **2026 is going to be the year that AI starts to dramatically change the way that we work.** As we navigate this, our North Star is building the best place for individuals to make a massive impact. So to do this, we're investing in AI native tooling so individuals at Meta can get more done. We're elevating individual contributors and flattening teams. **We're starting to see projects that used to require big teams now be accomplished by a single, very talented person....”**

- Mark Zuckerberg, Meta CEO,  
4Q'25 Earnings  
(January 28, 2026)



”

“We are choosing to adapt. Thoughtfully, decisively and quickly. To drive durable, profitable growth.... We fundamentally believe people and AI create the best outcomes. Our approach is not “AI replaces people”. **But it would be disingenuous to pretend AI doesn't change the mix of skills we need or the number of roles required in certain areas. It does.”**

- Mike Cannon-Brookes, Atlassian  
CEO  
(March 11, 2026)



Leading industry peers are already executing against capturing AI related efficiency spend.  
Now is the time to act or SNAP will fall further behind

02

Rationalize The  
Cost Structure

# IT IS SNAP'S CRUCIBLE MOMENT NOW MORE THAN EVER

“

At the enterprise level, our strategy is moving from experimentation with generative AI tools to scaled, outcome-driven adoption that transforms the way we work. **While team use of tools like ChatGPT and Gemini has taken off and we've seen early wins with workflow-specific pilots such as code assist, the true opportunity lies in embedding automation, agentic workflows, and AI-driven augmentation into the core of our business. Our immediate priority is to double down on four key functions—Engineering, Sales, Trust & Safety, and Customer Support—where AI is already delivering measurable impact.**

Engineering is already seeing momentum, with AI now generating about a quarter of all code and new agentic infrastructure underway to further boost developer productivity. In Sales, we're beginning to cut down manual processes, surface smarter insights, and even pilot customer-facing agents that simplify advertiser support. Trust & Safety is harnessing AI to dramatically reduce response times, shift moderation from reactive to proactive, and automate over half of review tasks—all while maintaining accuracy and safety standards. Customer Support has seen automation rise from 3% to 67% of inquiries, freeing team members to focus on higher-value work and dramatically lowering response times. **By combining short-term productivity gains with long-term investments in platforms, skills, and infrastructure, we are building an operating model that scales with AI at its core.**

- Spiegel "Crucible Moment" Letter to Employees, Sept 8, 2025

”

Since the release of  
SNAP's Crucible  
Moment letter to  
employees, AI adoption  
and ability to drive  
operating efficiency  
has only increased

Now is the time to take  
action here and drive  
SNAP to be a stronger  
company

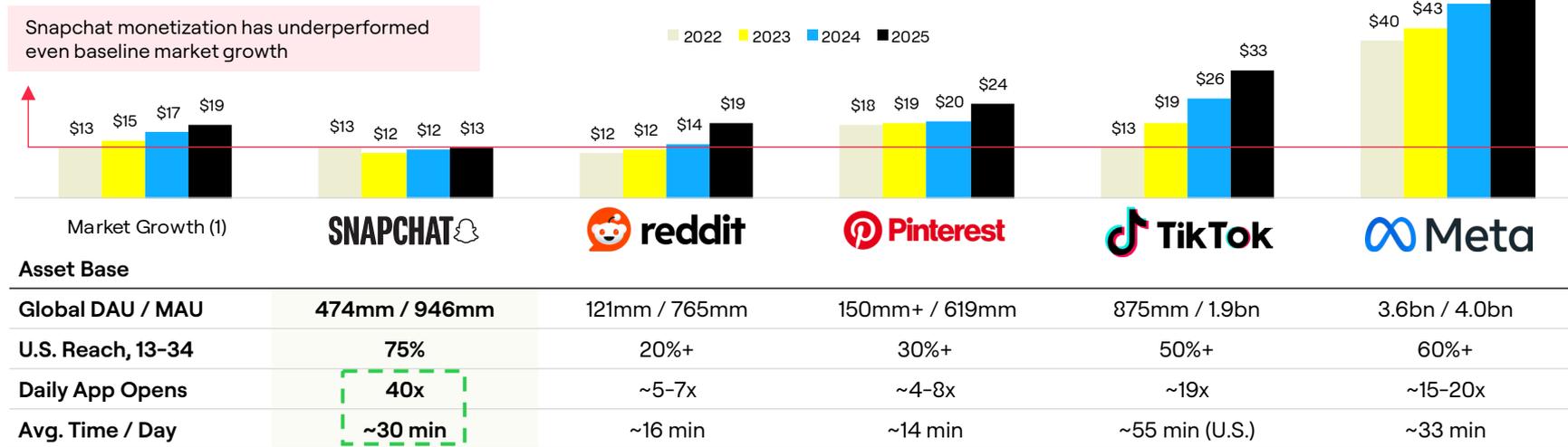
# 03

Improve Monetization

## DESPITE BEING A SCALED MEDIA PLATFORM WITH UNIQUE USER REACH, SNAP'S MONETIZATION REMAINS BELOW PEERS

Snapchat is the only scaled social media platform that has hit a monetization ceiling despite secular market growth with peers demonstrating significantly improved monetization per user. This is not a structural problem for SNAP, but reflects a lack of focus in the advertising business

### Global Average Revenue per Daily Active User (ARPDau)



# 03

Improve Monetization

# OPPORTUNITY FOR SNAP TO IMPROVE ROI AND ROAS VS PEERS

SNAP's low ROI and ROAS are driven by a weak advertising stack, including manual and less scalable campaign setup tools, weaker data signal quality, and lack of ad-load and/or inventory / surface optimization

## ROAS and ROI Comparison

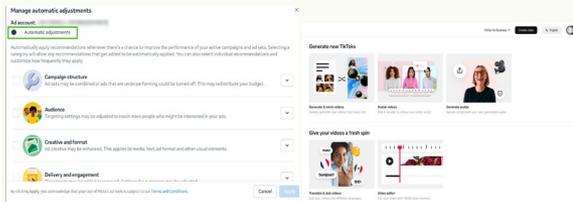
	ROAS	Rated High ROI'
	7.0x	70%+
	3.5x	~20%
	3.0x	<15%
	2.7x	<15%
	2.4x	<15%
	2.3x	<10%

"Meta and TikTok have a 'set it and forget it approach' allowing you to let the algorithms do all the work..."

"Meta consistently has higher ROAS ranging between 6 - 9x on a last click basis while Snapchat's is quite a bit lower, hovering around 2 to 3x."

-VP, Head of Growth Marketing, Ad Buyer

## SNAP vs. Meta & TikTok



SNAP's advertiser experience has historically lagged peers because too much work still sits with the buyer than on Meta and increasingly TikTok. Both Meta and TikTok offer better optimization and measurement. SNAP's tools are more limited

### Meta and TikTok

- ✔ Automated campaign setup across targeting, bidding, and budget
- ✔ Strong depth and breadth of conversion signal capture across CAPI, Pixel, APIs, due larger audience and deeper advertiser investment
- ✔ Stronger monetization across a range of high engagement surfaces
- ✔ More relevant ads and higher ad loads (20-25%)
- ✔ Deeper advertiser reporting and performance visibility

The platform has improved, and newer AI-led tools and smart campaign workflows point in the right direction, but market perception still reflects a product that is harder to use and less mature for scaled performance buying



### SNAP

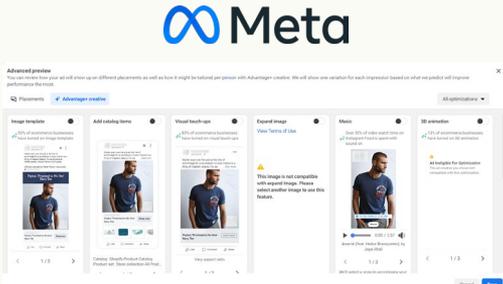
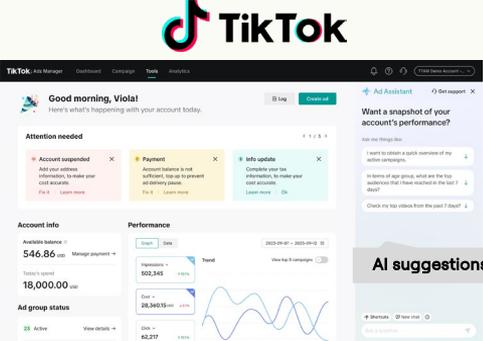
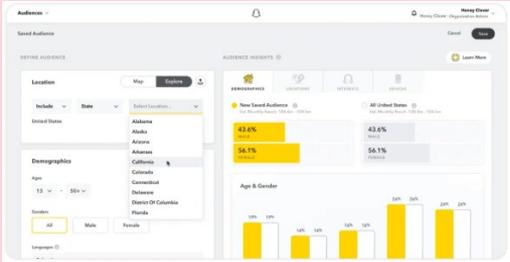
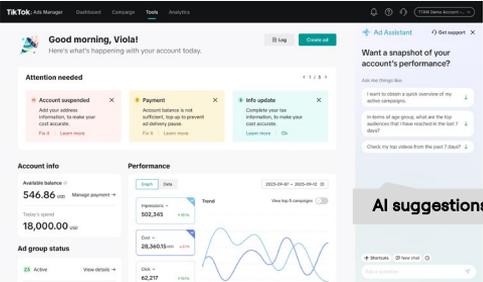
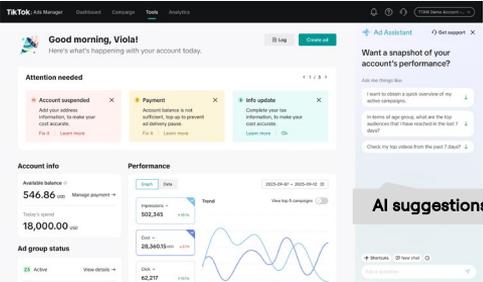
- ✘ Time consuming manual campaign set up
- ✘ Ad buyers underinvest in data integrations due to low conversion
- ✘ Highest ad-load surfaces remain low engagement (~10% time spent across Spotlight and Discover)
- ✘ Ad load far lower than peers (~8% weighted avg.)
- ✘ Basic reporting features with lagging customizations - weaker data and signal quality

# 03

Improve Monetization

# IMPROVEMENTS START WITH SNAP'S AD TECH STACK

SNAP's weaker targeting, limited automation, and lack of AI-assisted setup increases friction and reduces campaign effectiveness, lowering advertiser confidence vs. peers

	Meta	TikTok	SNAPCHAT
<p><b>Audience Targeting</b> ✓</p> <p><b>Advanced Targeting:</b> Advertisers can target across demographics, occupations, interests, purchase behavior, custom audiences</p>		 <p>AI suggestions</p>	
<p><b>Campaign Creation</b> ✓</p> <p><b>Guided Setup:</b> Advantage+ automate / streamline campaign creation, supported by real-time feedback (e.g., Opportunity Score)</p>		<p><b>Streamlined Setup:</b> Smart+ Campaign features simplify campaign setup, automating key decisions (e.g., targeting, delivery)</p>	<p><b>Limited Targeting:</b> Primarily demographics (age, gender, location) and broad interest segments, with less granular behavioral and purchase-based signals</p>
<p><b>Assistance &amp; Support</b> ✓</p> <p><b>Integrated AI Assistance:</b> Provides dynamic, in-platform recommendations to guide campaign setup and improve performance</p>		<p><b>Limited Assistance/Suggestions:</b> Offers system-driven prompts (e.g., audience too narrow/broad), but lacks fulsome AI assistance</p>	<p><b>Manual Setup:</b> Campaign setup requires manual configuration of key inputs (objective, audience, budget) with limited automation and feedback</p> <p><b>Lack of Assistance &amp; Support:</b> Guidance is largely static (e.g., Ad Readiness checks) or external (help center), with no dynamic recommendations</p>

# 03

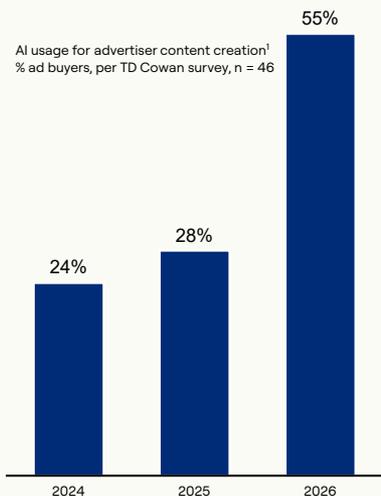
Improve Monetization

## AD BUYERS EXPECT AI-ENABLED SELF-SERVE FEATURES

The market has shifted towards generative AI streamlining advertising campaigns and optimizing for ROAS. SNAP is late to the game in delivering on AI capabilities

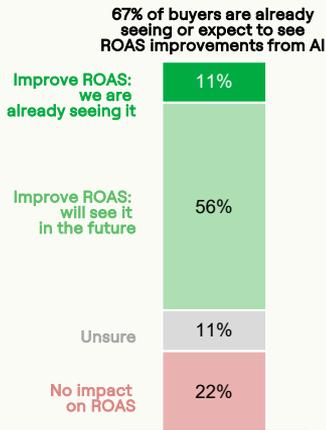
### AI for content creation

AI usage for advertiser content creation<sup>1</sup>  
% ad buyers, per TD Cowan survey, n = 46



### AI for targeting optimization

Expected impact of AI on ROAS<sup>2</sup>  
% ad buyers, per TD Cowan survey, n = 46



- ✓ Advantage+, allowing fully automated ad management
- ✓ An AI workflow assistant
- ✓ Live ad enhancement feedback with opportunity scorings
- ✓ AI-native image and video-based ad creation
- ✓ Built-in integrations with Manus – an AI agent allowing autonomous reporting and insight generation



- ✓ Smart+, allowing ad buyers to fully automate ad management (akin to Advantage+)
- ✓ GMV Max, automated revenue maximization for TikTok shop operators
- ✓ An AI workflow assistant
- ✓ Symphony AI for image / video ad creation and coaching



- ✗ No equivalent to Advantage+ or Smart+. Lacking fully automated, end-to-end AI ad campaign management solution
- ✗ Smart Campaign Solutions are nascent and Smart Ads still in early testing
- ✗ No AI workflow assistant, no AI agent for autonomous reporting

# 03

Improve Monetization

# PEERS DEMONSTRATE THE PLAYBOOK FOR ARPPDAU UPLIFT

All of SNAP's social media peers have successfully increased ARPPDAU through increased ad loads and improved adtech capabilities

## Market examples of improvements in ad-monetization: last 3 years



- Launched Advantage+ suite (incl. AI-enabled ad creation + targeting)
- Introduced ads to WhatsApp
- Increased loads on reels surfaces



ARPPDAUS from '22-'25

**ARPPDAU: \$40 → \$57 (+42%)**

- +9% 2025 YoY price per ad
- +12% 2025 YoY impressions



- Introduced Smart+ / GMVMAX for AI-enabled targeting
- Launched Symphony to streamline ad creation for SMBs
- Increased ad loads on feeds
- Launched TikTok shop to improve attribution



**ARPPDAU: \$13 → \$30+ (+156%)**

- Adoption scaled from 9% to 42% within a year of launch
- +43% YoY rev. growth attributed mostly to ad revenues and Smart+ contributions



- Launched Max+ (akin to Meta's Advantage+)
- Increased ad loads on home feeds
- Introduced comment section ads
- Made table-stakes improvements to the self-service optimization engine, making performance advertising viable
- Launched a CAPI



**ARPPDAU: \$12 → \$19 (+65%)**

- +75% Q4 2025 YoY advertiser count increase
- Comment ads are now 6% of all impressions (Q1 '25)



- Launched Performance+ (akin to Meta's Advantage+)
- Developed Omnisage / PINFM AI tools to improve user intent signals / ad relevance
- Increased ad loads on home / search feeds
- Increased ad product count from 12 to 30+
- Imbedded Amazon and Shopify storefront links into ads to improve conversion / attribution
- Launched a CAPI



**ARPPDAU: \$18 → \$24 (+30%)**

- +41% 2025 Q4 YoY ad impressions
- +40% 2025 Q3 YoY outbound clicks to advertisers



**SNAP has the opportunity to increase ARPPDAU by 30%+ with ads alone**



## Tangible changes SNAP can introduce



### A Ad Load Improvement

- Increase Chat and Camera / AR monetization (~60% of time spent here), as well as SNAP Maps
- Raise load on existing surfaces (Spotlight and Discover) to align with peer benchmarks (20-25% range)



### B Ad-Tech Stack Improvement<sup>(1)</sup>

- End-to-end automation capabilities (optimize audience, bidding, budgets, placements, etc.)
- Improve lower-funnel signal capture (deepen Pixel / CAPI / server-side data integrations for targeting optimization)
- Upgrade measurement and report (better in-platform dashboards, stronger attribution, etc.)

# 03

Improve Monetization

# SNAPCHAT HAS “PRODUCT OVERLOAD” RESULTING IN LOW-DISCOVERABILITY FOR NEW FEATURES AND USER DEFAULT BACK TO CHAT/ CAMERA

While simple on its surface, SNAP provides too many features to customers that are confusing to find – requiring too many user swipes – ultimately yielding little to no time-spent which renders them unmonetizeable

### Hidden/ Buried Features, Product Limitations

<b>Snap Map</b> Core Use: Find my friends	<ul style="list-style-type: none"> <li>• Memories layer</li> <li>• Trending layer</li> <li>• Footsteps layer</li> <li>• Visited layer</li> <li>• Popular with friends layer</li> </ul>	<ul style="list-style-type: none"> <li>• Favorited places layer</li> <li>• Restaurants layer</li> <li>• Cafes layer</li> <li>• Parks layer</li> <li>• Shops layer</li> </ul>	<ul style="list-style-type: none"> <li>• Community edits</li> <li>• Activity heatmap</li> <li>• Bitmoji design</li> <li>• Share locations</li> </ul>
<b>Chat</b> Core Use: Message friends	<ul style="list-style-type: none"> <li>• Power features i.e. chat effects</li> <li>• Streaks and instant streaks</li> <li>• Group chats</li> <li>• Video/ Voice calling</li> </ul>	<ul style="list-style-type: none"> <li>• MyAI interactions</li> <li>• Chat color &amp; wallpapers</li> <li>• Birthday / anniversary layer</li> <li>• Photo / video attachment</li> <li>• Custom and GIF stickers</li> </ul>	<ul style="list-style-type: none"> <li>• Bitmoji stories</li> <li>• Charms</li> </ul>
<b>Camera</b> Core Use: Take Photos	<ul style="list-style-type: none"> <li>• 20 different lens options requiring significant user navigation</li> <li>• Lens Games tucked away within lens options</li> </ul>	<ul style="list-style-type: none"> <li>• AI Lenses tucked away within lens options</li> <li>• 13 different post capturing editing features</li> <li>• Unintuitive advertising lens</li> </ul>	<ul style="list-style-type: none"> <li>• Scan lens feature</li> <li>• Generative AI lens</li> <li>• Multi Snap batch capturing</li> <li>• Lens Explorer</li> <li>• Lens Dress Up</li> </ul>
<b>Stories</b> Core Use: Broadcast Snaps	<ul style="list-style-type: none"> <li>• Immature product compared to Meta</li> <li>• Limited ability to find/ follow companies and products</li> </ul>	<ul style="list-style-type: none"> <li>• Limited company promotions</li> <li>• Limited company related pages relevant to users</li> </ul>	<ul style="list-style-type: none"> <li>• Unintuitive story viewing flows that could tie in to Spotlight</li> <li>• Difficult to discover relevant content</li> </ul>
<b>Spotlight</b> Core Use: Entertainment	<ul style="list-style-type: none"> <li>• Basic platform that should be strong like Meta/ Tiktok</li> </ul>	<ul style="list-style-type: none"> <li>• Limited profile management/ curation capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Tagging features in comments including to MyAI</li> </ul>

*“Reducing the clutter on Snapchat would make it better but right now it’s just too busy”  
 – User feedback survey respondent*



# 03

Improve Monetization

# SNAP SHOULD INSTEAD MIRROR PEERS WHO OPEN TO MONETIZEABLE SURFACES THAT DELIVER RELEVANT CONTENT TO HIGH-INTENT USERS...

**SNAPCHAT**



**Camera**

Ad Load: ~8%  
'25 ARPU: **\$12.62**

*Zero ads on first screen*

**Instagram**



**Home Feed + Reels**

Ad Load: ~20%+  
ARPU: **\$50+**

*Content + ads immediately*

**TikTok**

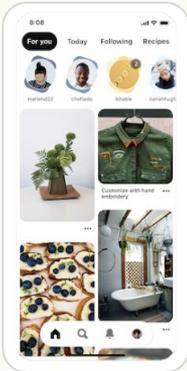


**For You Feed**

Ad Load: ~20%+  
ARPU: **\$30+**

*Full-screen video + ads*

**Pinterest**



**Home Feed**

Ad Load: ~20%  
ARPU: **\$20+**

*Shoppable pins on open*

**facebook**



**News Feed**

Ad Load: ~20%  
ARPU: **\$50+**

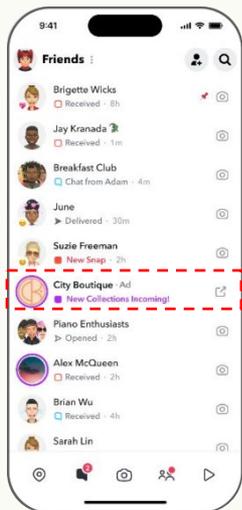
*Ads every 3-4 posts*

We believe SNAP can significantly close its monetization gap to peers by better **improving the user flow experience** and providing more **relevant content** to users in stream to existing user platforms

## 03

Improve  
Monetization... AND LEAN FURTHER INTO MONETIZING HIGH-INTENT  
HIGH-FREQUENCY USER SURFACES LIKE CHAT AND MAPS

## Chat



- While SNAP has started to monetize its Chat surface there remains tremendous opportunity for SNAP to further monetize
- SNAP should dramatically improve its User to Company interactions by:
  - Driving creation of Company pages with shoppable products
  - Enables SNAP to become an “all in one” shopping and interaction app (companies chat with users)
  - Facilitate “click to buy” features directly within the chat interface
- This is the most immediate upside driver for SNAP as it allows advertisers to deliver relevant content to its high-intent users

## Snap Maps



- SNAP has more than 400mm MAUs currently using its Maps feature to find friends, make plans, and explore local hotspots
- This makes SNAP’s map user base >10x bigger than Yelp (\$1.4bn Market Cap)
- SNAP should focus efforts on working with local businesses to drive additional “Promoted Places” and “Business Profiles” to drive user traffic
- SNAP can further curate its maps community to be a trusted guide for users to find places with friends and feed its identity graph to increase monetization across its network

*“For the longest time, I was like, please give me the ability to place ads on Snap Maps, they had consistently said no until they finally started monetizing it. I think there is still a lot of room to increase inventory here just because it is such a unique offering when compared to their peers.”*  
-VP, Growth, Ad Buyer

# 04 SNAP'S MYAI DEMONSTRATES THE POWER OF SNAP'S NETWORK

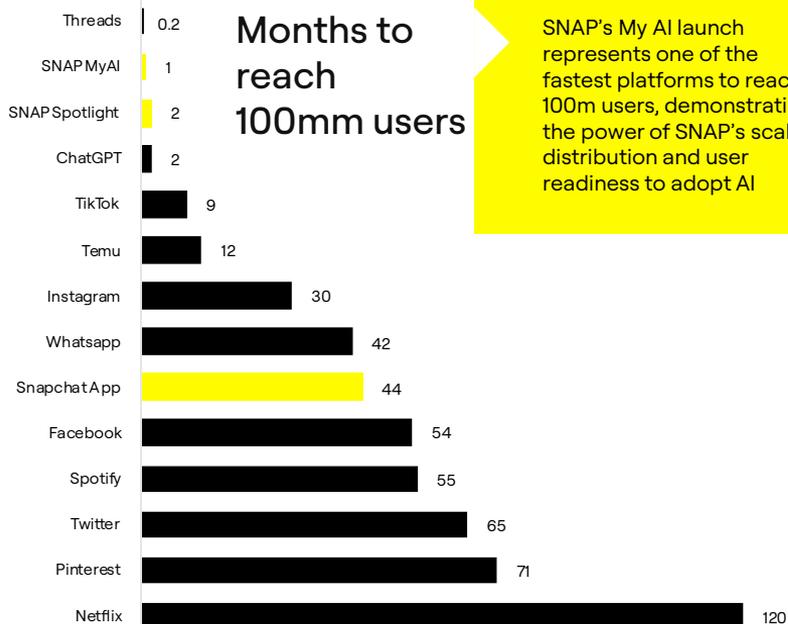
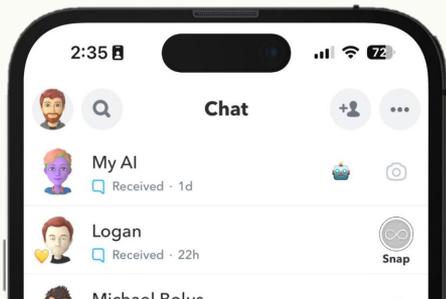
Fix AI  
Monetization

## What is My AI?

Among the **largest consumer AI chatbots globally** rivaling ChatGPT in the under-34 demographic.

Powered by **OpenAI + Google Gemini**. Supports text, image, video, and AR Lens queries. Multimodal since Sep 2024.

SNAP's built-in AI chatbot in the Chat tab. Users ask questions, get recs, plan activities, and receive personalized suggestions



SNAP's My AI launch represents one of the fastest platforms to reach 100m users, demonstrating the power of SNAP's scaled distribution and user readiness to adopt AI

## 04

Fix AI  
Monetization

# BUT CURRENT MONETIZATION PARTNERS AREN'T RIGHT

While SNAP has started adopting AI monetization efforts, the current partners are not the right ones and SNAP should rethink its strategy

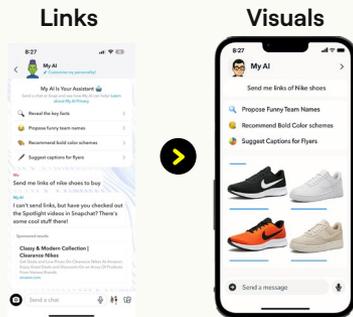
## Microsoft Monetization Ineffective

### ✘ Demographic Mismatch

Bing holds just ~4% global search share with <1% on mobile. Core ad pool skews 45+ desktop users – fundamentally misaligned with SNAP's Gen Z, mobile-first audience (% under 34)

### ✘ Sponsored Links Ineffective

Microsoft-powered Sponsored Links in My AI launched in 2023 and remain in an "early experimental phase" with zero disclosed revenue contribution after 2+ years. Fundamentally the wrong advertising format for SNAP's audience and needs to be visual



*"Partnerships with Microsoft related to My AI lacks scalability and is currently causing a loss for the company every month, indicating its ineffectiveness of the integration and links." – Former SNAP executive*

## Perplexity is not the Right Partner

### ✘ No Monetization Upside

Onetime payment of \$400mm permanently on pause given relationship strains and zero path to advertising monetization participation. SNAP has zero control over responses.

*"[We exclude] any potential revenue from the Perplexity integration as we have yet to mutually agree on a path to a broader rollout" – CFO Derek Andersen Feb 4, 2026*

### ✘ Unreliable Results With Misinformation

High hallucination rate with inconsistent searches frequently generating "AI Slop" which deteriorates SNAP's brand value. Process of scraping and major litigation threatens going-concern viability of the Perplexity partnership.

### ✘ Integrated LLMs Considered, Not Selected

SNAP considered Open AI and Gemini for distribution partnerships given existing integrations. Gemini progressed far in discussions without a deal, and Perplexity was ultimately chosen

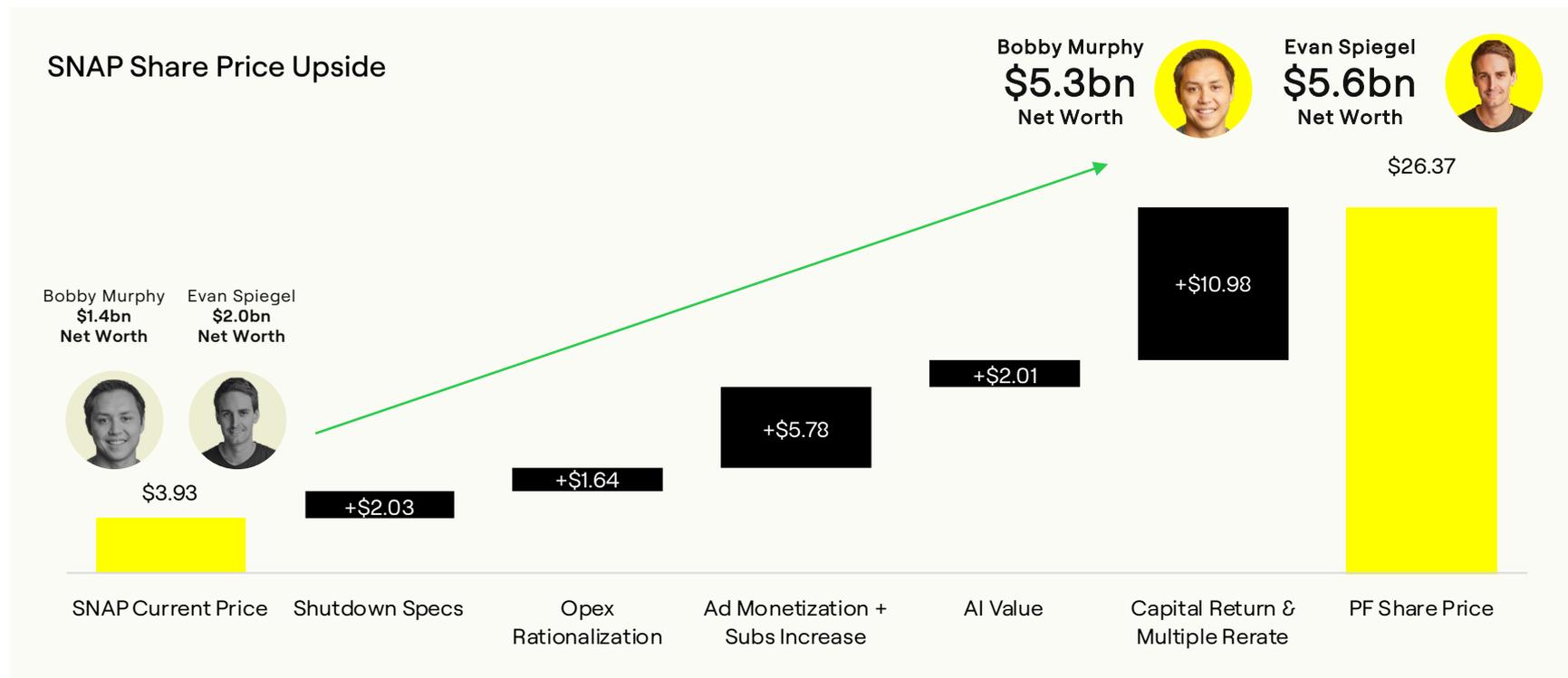
*"SNAP already had a partnership in place with Gemini and OpenAI for My AI, it's unclear why SNAP needed a separate engine to provide live search when both had the capabilities" – GTM, Strategic Partnerships, Market Participant*

# 04

## SNAP Can Be Worth 7x



# EXECUTING ON THESE INITIATIVES CAN NEARLY 7X VALUE FOR PUBLIC SHAREHOLDERS AND THE FOUNDERS.....



# SNAP BACK TO REALITY

- SNAP is one of only four scaled social networks in the United States with massive scale and close to 1bn MAUs

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- SNAP owns irreplaceable digital real estate, proprietary and constantly refreshing visual data, and a target audience that is prime for AI monetization

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- Yet the stock is down (77%) from its 2017 IPO because of an overly burdensome cost structure, limited business monetization and a poor governance structure – all of which are readily addressable, particularly with AI

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- The path to value creation is clear:
  - ➊ Spin or shut down specs
  - ➋ Rationalize the cost structure
  - ➌ Improve ad monetization
  - ➍ Pursue a real AI monetization strategy
  - ➎ Return capital to shareholders
  - ➏ Provide Class A shareholders with a vote

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- Through these 6 steps we believe Snap has the potential to 7x to \$26+ per share

SAVE SNAP NOW

# GLOSSARY OF TERMS

**DAU (Daily Active Users):** The number of unique users who open and engage with an application on a given day, averaged over an annual period. For SNAP, a DAU is a registered and logged-in user who visits Snapchat through application/websites at least once during a 24-hour period. Average DAU for a particular year is calculated by adding the number of DAUs on each day of a year and dividing that sum by the number of days in that year.

**MAU (Monthly Active Users):** The number of unique, registered, and logged-in users who open and engage with an application at least once during a 30-day period. MAU captures the broader reachable audience, including less frequent users who may not open the app daily.

**ARPDau (Average Revenue per Daily Active User):** Total revenue over a period divided by the average number of DAUs during that period (annualized for the purpose of this presentation). ARPDau measures how effectively a platform monetizes each daily user and is a key metric for comparing monetization efficiency across social media platforms.

**ROAS (Return on Ad Spend):** The revenue an advertiser generates for every dollar spent on advertising on a given platform, expressed as a multiple (e.g., 2.0x / 200% means \$2 of revenue per \$1 of ad spend). ROAS is a primary measure advertisers use to evaluate platform effectiveness and allocate budgets across channels.

**Average Daily Opens:** The average number of times a user opens the application per day. This captures the habitual, repeated engagement of a platform's user base and reflects the frequency of potential ad impression opportunities.

**Adjusted EBITDA:** A non-GAAP profitability measure that starts with GAAP operating profit (loss) and adds back depreciation and amortization, stock-based compensation, non-recurring charges, and other non-cash items to approximate recurring cash operating earnings. The specific definition and classification of add-back items varies by company. Throughout this presentation, all references to "Adjusted EBITDA" treat Stock-Based Compensation (SBC) as an add-back (i.e., SBC is excluded from the expense base). Where we deduct SBC to show profitability inclusive of equity-based employee costs, we explicitly label the metric "Adjusted EBITDA – SBC", "EBITDA – SBC", or "GAAP EBITDA."

**Stock-Based Compensation (SBC):** A non-cash expense representing the cost of equity awards – such as restricted stock units (RSUs), stock options, and other equity-based grants – issued to employees and directors as part of their compensation. While SBC does not require a direct cash outlay, it is a real economic cost to shareholders because it increases the total share count over time, diluting existing ownership. SBC is recorded as an operating expense under GAAP but is added back in SNAP's (and most peers') calculation of Adjusted EBITDA. This presentation highlights SBC as a critical expense and explicitly distinguishes between "Adjusted EBITDA" (which excludes SBC) and "Adjusted EBITDA – SBC" (which includes it) to provide a more complete picture of the company's true profitability.

**AI (Artificial Intelligence):** A broad field of computer science focused on building systems capable of performing tasks that typically require human intelligence, such as language understanding, image recognition, decision-making, and content recommendation. In this presentation, AI refers primarily to machine learning-driven improvements in ad targeting, content recommendation, operational automation, and data monetization.

**ML (Machine Learning):** A subset of artificial intelligence in which algorithms learn patterns from data to make predictions or decisions without being explicitly programmed for each task. In the context of digital advertising, ML powers ad ranking, audience targeting, bid optimization, and content recommendation systems.

**AR (Augmented Reality):** Technology that overlays digital information – such as images, 3D objects, or interactive experiences – onto the real world as seen through a device's camera or wearable display.

**VR (Virtual Reality):** An immersive technology that creates a fully simulated digital environment, typically experienced through a headset that replaces the user's real-world view entirely.

**TSR (Total Shareholder Returns):** The total return an investor would receive if they purchased one share of stock on the first day of the measured period, inclusive of share price appreciation and dividends paid (assumes gross dividends are reinvested for purpose of this presentation). Used throughout this presentation to benchmark SNAP's performance against indices and peer groups.

**CPC (Cost per Click):** The price an advertiser pays each time a user clicks on their advertisement. CPC is a standard pricing metric in digital advertising used to measure the cost efficiency of driving user engagement.

**CPM (Cost per Mille / Cost per Thousand Impressions):** The price an advertiser pays per one thousand times their advertisement is displayed to users. CPM is a standard pricing metric for measuring the cost of reaching an audience at scale.

**LLM (Large Language Model):** A type of artificial intelligence model trained on vast amounts of text data to understand and generate human language. Examples include OpenAI's GPT and Google's Gemini. SNAP's MyAI chatbot is powered by LLM technology.

**MTA (Multi-Touch Attribution):** An advertising measurement methodology that assigns credit for a conversion across multiple touchpoints in a consumer's journey (e.g., ad view, click, website visit), rather than attributing the entire conversion to a single interaction. Used by advertisers to evaluate the relative contribution of different channels and platforms.

**MMM (Marketing Mix Modeling):** A statistical analysis technique that uses historical data to quantify the impact of various marketing inputs (e.g., advertising spend by channel, pricing, promotions) on sales or other business outcomes. Unlike MTA, MMM typically operates at an aggregate level and does not require user-level tracking.