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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____to_____
Commission File Number: 001-38017

SNAP INC.
(Exact name of registrant as specified in its charter)

Delaware	**45-5452795**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

3000 31st Street
Santa Monica, California 90405
(Address of principal executive offices, including zip code)
(310) 399-3339
(Registrant's telephone, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.00001 per share	SNAP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☒	Large accelerated filer	☐	Accelerated filer
☐	Non-accelerated filer	☐	Smaller reporting company
☐	Emerging growth company		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Number of Shares Outstanding
Class A common stock, $0.00001 par value	1,472,430,589 shares outstanding as of October 31, 2026
Class B common stock, $0.00001 par value	22,519,220 shares outstanding as of October 31, 2026
Class C common stock, $0.00001 par value	231,626,943 shares outstanding as of October 31, 2026

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Snap Inc., "Snapchat," and our other registered and common-law trade names, trademarks, and service marks appearing in this Quarterly Report on Form 10-Q are the property of Snap Inc. or our subsidiaries.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or 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 report, including statements regarding guidance, our future results of operations or financial condition, our future stock repurchase programs or stock dividends, business strategy and plans, user growth and engagement, product initiatives, objectives of management for future operations, and advertiser and partner offerings, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “going to,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. We caution you that the foregoing may not include all of the forward-looking statements made in this report.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends, including our financial outlook, macroeconomic uncertainty, and geo-political events and conflicts, that we believe may continue to affect our business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks, uncertainties, and other factors described in “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q, including among other things:

- our financial performance, including our revenues, cost of revenues, operating expenses, and our ability to attain and sustain profitability;
- our ability to generate and sustain positive cash flow;
- our ability to attract and retain users and partners;
- our ability to attract and retain advertisers;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to effectively manage our growth and future expenses;
- our ability to comply with modified or new laws, regulations, and executive actions applying to our business;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to successfully expand in our existing market segments and penetrate new market segments;
- our ability to attract and retain qualified team members and key personnel (including as a result of the headcount reduction and restructuring plans that we have announced in the past);
- our ability to repay or refinance outstanding debt, or to access additional financing;
- future acquisitions of or investments in complementary companies, products, services, or technologies; and
- the potential adverse impact of climate change, natural disasters, health epidemics, macroeconomic conditions, and war or other armed conflict on our business, operations, and the markets and communities in which we and our partners, advertisers, and users operate.

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 Quarterly Report on Form 10-Q. 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 Quarterly Report on Form 10-Q. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q 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 report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events, including future developments related to geo-political events and conflicts and macroeconomic conditions, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, dispositions, joint ventures, restructurings, legal settlements, or investments.

Investors and others should note that we may announce material business and financial information to our investors using our websites (including investor.snap.com), filings with the U.S. Securities and Exchange Commission, or SEC, webcasts, press releases, investor letters, 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 websites.

NOTE REGARDING USER METRICS AND OTHER DATA

Beginning with our Quarterly Report on Form 10-Q to be filed for the first quarter of 2027, we plan to transition to global MAU as our primary audience metric. This change will include the replacement of global DAU with global MAU, as well as the discontinuation of regional DAU and regional ARPU. While DAU remains an important measure of engagement, we no longer believe it is the best primary measure of long-term value. MAU represents the scale of our community, while engagement and monetization metrics reflect the depth and value of our service. Daily engagement has historically been stable as a percentage of monthly engagement, but we do not intend to optimize Snapchat around daily use at the expense of long-term value for our community. A longer-term horizon better aligns our reported metrics with the product and safety decisions that strengthen relationships, create lasting utility, and support broader, more durable audience growth. Alongside global MAU, we are introducing global MAU-based ARPU as our primary monetization metric. The following describes these user metrics both prior to and after our planned transition.

We define a Daily Active User, or DAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites 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 a Monthly Active User, or MAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites at least once during the 30-day period ending on the calendar month-end. We calculate average MAUs for a particular quarter by calculating the average of the MAUs as of each calendar month-end in that quarter. Beginning in the first quarter of 2027, we plan to update the definition of MAU to include any registered and logged-in Snapchat user who visits at least one Snapchat-branded product through our applications or websites, which under the updated definition will include users who access our products through Apple Watch. Historically, MAU attributable to Apple Watch users has not been material. Additionally, beginning in the first quarter of 2027, MAU will be calculated using activity during the last 30 days of the quarter. Accordingly, reported quarterly MAU will represent the number of active users as of quarter end rather than an average of monthly active users during the quarter. We believe this measurement period provides a more current view of our trajectory and improves comparability with peers. The impact of these changes to our historical MAU definition would have resulted in a less than 1% change to our historical MAU in the third quarter of 2026 and would have resulted in similarly immaterial changes in our historical MAUs in each quarter from the first quarter of 2024 to the second quarter of 2026.

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 customer. Beginning in the first quarter of 2027, we plan to define ARPU as quarterly revenue divided by global MAU reported for the quarter. We will also no longer report regional ARPU. Any adjustments to historical MAUs discussed above would have a commensurate immaterial impact on our calculations of historical ARPU under the updated definition. For information concerning these metrics as measured by us, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Unless otherwise stated, statistical information regarding our users and their activities is determined using the applicable measurement period and calculation method described above.

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 attempt to create accounts for malicious purposes, including at scale, even though we forbid that in our Terms of Service and Community Guidelines. We implement measures in our user registration process and through other technical measures to prevent, detect, and suppress that behavior, although we have not determined the number of such 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 or MAU because we don’t receive timely notice that a user has opened the Snapchat application. This undercounting may increase as we grow in Rest of World markets where users may have poor connectivity. We do not adjust our reported metrics to reflect this underreporting. We believe that we

have adequate controls to collect user metrics; however, there is no uniform industry standard. We continually seek to identify these technical issues and improve both our accuracy and precision, including ensuring that our investors and others can understand the factors impacting our business, but these technical issues and new issues may continue in the future, including if there continues to be no uniform industry standard.

Some of our demographic data may be incomplete or inaccurate. For example, although we take steps to understand our users' ages, including requiring new users to 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 age data that we do have. If our active users provide us with incorrect or incomplete information regarding their age or other attributes, then our estimates may prove inaccurate and fail to meet investor expectations.

We count a DAU or MAU only once during the applicable measurement period. 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 visited Snapchat through our applications or websites during the applicable measurement period. This provides redundancy in the event one pipeline of data were to become unavailable for technical reasons, and also gives us redundant data to help measure how users interact with our applications and websites.

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 any such adjustments, including the adjustments that are part of our planned transition described above, our DAUs, MAUs, ARPU, or other metrics may not be directly comparable to those in prior periods. Our measures of DAUs or MAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Snap Inc.
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cash flows from operating activities				
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	44,625	42,514	136,266	120,252
Stock-based compensation	254,789	260,363	768,018	759,587
Amortization of debt issuance costs and debt discount (premium)	(1,014)	686	(2,912)	7,778
Losses (gains) on debt and equity securities, net	(440)	1,182	276	15,774
Gain on extinguishment of debt	—	(29,795)	—	(96,734)
Other	6,832	2,985	22,867	14,542
Change in operating assets and liabilities, net of effect of acquisitions:				
Accounts receivable, net of allowance	(14,348)	(89,096)	92,673	102,032
Prepaid expenses and other current assets	(27,092)	(16,313)	(57,822)	(46,199)
Operating lease right-of-use assets	16,920	14,909	47,768	42,829
Other assets	(3,421)	161	(3,502)	7,054
Accounts payable	(103,688)	38,125	(141,389)	(21,818)
Accrued expenses and other current liabilities	(6,252)	23,926	81,698	9,053
Operating lease liabilities	(13,512)	1,325	(34,978)	(24,160)
Other liabilities	587	(943)	927	2,300
Net cash provided by operating activities	210,484	146,488	713,477	386,592
Cash flows from investing activities				
Purchases of property and equipment	(46,031)	(53,044)	(142,479)	(154,959)
Purchases of strategic investments	(1,000)	—	(6,934)	(20,000)
Sales of strategic investments	—	11,050	—	11,050
Cash paid for acquisitions, net of cash acquired	—	—	(65,048)	(35,499)
Purchases of marketable securities	(279,851)	(388,652)	(796,009)	(1,015,317)
Sales of marketable securities	16,333	102,530	303,790	539,688
Maturities of marketable securities	208,595	220,203	638,333	785,317
Other	—	—	(500)	—
Net cash provided by (used in) investing activities	(101,954)	(107,913)	(68,847)	110,280
Cash flows from financing activities				
Proceeds from issuance of notes, net of issuance costs	—	541,110	—	2,014,193
Repurchases of Class A non-voting common stock	—	—	(600,964)	(500,573)
Deferred payments for acquisitions	(250)	—	(2,892)	(67,539)
Repurchases of convertible notes	—	(549,924)	—	(1,994,550)
Repayment of convertible notes	(47,013)	—	(47,013)	(36,240)
Other	(1,000)	(3,199)	(4,400)	(6,898)
Net cash used in financing activities	(48,263)	(12,013)	(655,269)	(591,607)
Change in cash, cash equivalents, and restricted cash	60,267	26,562	(10,639)	(94,735)
Cash, cash equivalents, and restricted cash, beginning of period	960,491	928,937	1,031,397	1,050,234
Cash, cash equivalents, and restricted cash, end of period	$ 1,020,758	$ 955,499	$ 1,020,758	$ 955,499

See Notes to Consolidated Financial Statements.

Snap Inc.
Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 1,722,471	$ 1,506,839	$ 4,850,255	$ 4,214,986
Costs and expenses:				
Cost of revenue	649,413	674,220	1,982,539	1,967,132
Research and development	477,678	453,418	1,498,066	1,320,908
Sales and marketing	298,036	256,215	835,446	772,025
General and administrative	220,628	251,348	702,658	736,805
Total costs and expenses	1,645,755	1,635,201	5,018,709	4,796,870
Operating income (loss)	76,716	(128,362)	(168,454)	(581,884)
Interest income	26,859	32,255	77,990	102,472
Interest expense	(37,290)	(34,494)	(110,987)	(85,500)
Other income (expense), net	(36)	27,570	20,452	75,816
Income (loss) before income taxes	66,249	(103,031)	(180,999)	(489,096)
Income tax expense	(9,751)	(510)	(15,414)	(16,602)
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Net income (loss) per share attributable to Class A, Class B, and Class C common stockholders (Note 3):				
Basic	$ 0.03	$ (0.06)	$ (0.12)	$ (0.30)
Diluted	$ 0.03	$ (0.06)	$ (0.12)	$ (0.30)
Weighted average shares used in computation of net income (loss) per share:				
Basic	1,693,497	1,696,542	1,681,559	1,689,251
Diluted	1,700,192	1,696,542	1,681,559	1,689,251

See Notes to Consolidated Financial Statements.

Snap Inc.
Consolidated Statements of Comprehensive Income (Loss)
(in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Other comprehensive income (loss), net of tax				
Unrealized gain (loss) on marketable securities, net of tax	(7,706)	1,766	(19,587)	4,296
Foreign currency translation	(426)	(596)	(6,496)	18,976
Total other comprehensive income (loss), net of tax	(8,132)	1,170	(26,083)	23,272
Total comprehensive income (loss)	$ 48,366	$ (102,371)	$ (222,496)	$ (482,426)

See Notes to Consolidated Financial Statements.

Snap Inc.
Consolidated Balance Sheets
(in thousands, except par value)

	September 30, 2026	December 31, 2025
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 1,019,215	$ 1,030,435
Marketable securities	1,751,432	1,910,137
Accounts receivable, net of allowance	1,243,746	1,372,237
Prepaid expenses and other current assets	306,648	272,065
Total current assets	4,321,041	4,584,874
Property and equipment, net	618,149	578,075
Operating lease right-of-use assets	509,344	506,216
Intangible assets, net	86,423	66,613
Goodwill	1,779,086	1,720,769
Other assets	252,330	221,255
Total assets	$ 7,566,373	$ 7,677,802
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 76,030	$ 219,793
Operating lease liabilities	54,428	48,479
Accrued expenses and other current liabilities	1,050,879	971,627
Short-term debt, net	106,202	46,969
Total current liabilities	1,287,539	1,286,868
Long-term debt, net	3,380,216	3,489,860
Operating lease liabilities, noncurrent	587,118	557,823
Other liabilities	81,257	61,756
Total liabilities	5,336,130	5,396,307
Commitments and contingencies (Note 8)		
Stockholders' equity		
Class A non-voting common stock, $0.00001 par value. 3,000,000 shares authorized, 1,506,092 shares issued, 1,463,365 shares outstanding at September 30, 2026, and 3,000,000 shares authorized, 1,502,073 shares issued, 1,457,403 shares outstanding at December 31, 2025.	15	15
Class B voting common stock, $0.00001 par value. 700,000 shares authorized, 22,519 shares issued and outstanding at September 30, 2026, and 700,000 shares authorized, 22,523 shares issued and outstanding at December 31, 2025.	—	—
Class C voting common stock, $0.00001 par value. 260,888 shares authorized, 231,627 shares issued and outstanding at September 30, 2026 and December 31, 2025.	2	2
Treasury stock, at cost. 42,727 and 44,670 shares of Class A non-voting common stock at September 30, 2026 and December 31, 2025, respectively.	(416,774)	(435,722)
Additional paid-in capital	17,390,584	16,637,324
Accumulated deficit	(14,744,193)	(13,946,816)
Accumulated other comprehensive income	609	26,692
Total stockholders' equity	2,230,243	2,281,495
Total liabilities and stockholders' equity	$ 7,566,373	$ 7,677,802

See Notes to Consolidated Financial Statements.

Snap Inc.
Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026		2025		2026		2025	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Class A non-voting common stock								
Balance, beginning of period	1,428,131	$ 15	1,428,200	$ 14	1,457,403	$ 15	1,436,495	$ 14
Issuance of Class A non-voting common stock for vesting of restricted stock units and restricted stock awards, net	34,430	—	28,139	1	102,545	1	75,492	1
Conversion of Class B voting common stock to Class A non-voting common stock	4	—	—	—	4	—	—	—
Repurchases of Class A non-voting common stock	—	—	—	—	(98,530)	(1)	(57,293)	—
Reissuances of Class A non-voting common stock for vesting of restricted stock units	800	—	420	—	1,943	—	2,065	—
Balance, end of period	1,463,365	15	1,456,759	15	1,463,365	15	1,456,759	15
Class B voting common stock								
Balance, beginning of period	22,523	—	22,523	—	22,523	—	22,523	—
Conversion of Class B voting common stock to Class A non-voting common stock	(4)	—	—	—	(4)	—	—	—
Balance, end of period	22,519	—	22,523	—	22,519	—	22,523	—
Class C voting common stock								
Balance, beginning of period	231,627	2	231,627	2	231,627	2	231,627	2
Balance, end of period	231,627	2	231,627	2	231,627	2	231,627	2
Treasury stock								
Balance, beginning of period	43,527	(424,577)	45,577	(444,573)	44,670	(435,722)	47,222	(460,620)
Repurchases of Class A non-voting common stock	—	—	—	—	98,530	(600,964)	57,293	(500,573)
Retirement of Class A non-voting common stock	—	—	—	—	(98,530)	600,964	(57,293)	500,573
Reissuances of Class A non-voting common stock for vesting of restricted stock units	(800)	7,803	(420)	4,097	(1,943)	18,948	(2,065)	20,144
Balance, end of period	42,727	(416,774)	45,157	(440,476)	42,727	(416,774)	45,157	(440,476)
Additional paid-in capital								
Balance, beginning of period	—	17,143,598	—	16,127,309	—	16,637,324	—	15,644,132
Stock-based compensation expense	—	254,789	—	260,363	—	768,018	—	759,587
Reissuances of Class A non-voting common stock for vesting of restricted stock units	—	(7,803)	—	(4,097)	—	(18,948)	—	(20,144)
Other	—	—	—	—	—	4,190	—	—
Balance, end of period	—	17,390,584	—	16,383,575	—	17,390,584	—	16,383,575
Accumulated deficit								
Balance, beginning of period	—	(14,800,691)	—	(13,638,191)	—	(13,946,816)	—	(12,735,461)
Net income (loss)	—	56,498	—	(103,541)	—	(196,413)	—	(505,698)
Retirement of Class A non-voting common stock	—	—	—	—	—	(600,964)	—	(500,573)
Balance, end of period	—	(14,744,193)	—	(13,741,732)	—	(14,744,193)	—	(13,741,732)
Accumulated other comprehensive income								
Balance, beginning of period	—	8,741	—	24,796	—	26,692	—	2,694
Other comprehensive income (loss), net of tax	—	(8,132)	—	1,170	—	(26,083)	—	23,272
Balance, end of period	—	609	—	25,966	—	609	—	25,966
Total stockholders' equity	1,760,238	$ 2,230,243	1,756,066	$ 2,227,350	1,760,238	$ 2,230,243	1,756,066	$ 2,227,350

See Notes to Consolidated Financial Statements.

Snap Inc.
Notes to Consolidated Financial Statements

1. Description of Business and Summary of Significant Accounting Policies

Snap Inc. is a technology company.

Snap Inc. ("we," "our," or "us"), a Delaware corporation, is headquartered in Santa Monica, California. Our flagship product, Snapchat, is a visual messaging application that was created to help people communicate through short videos and images called "Snaps."

Basis of Presentation

The accompanying unaudited consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Our consolidated financial statements include the accounts of Snap Inc. and our wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. Our fiscal year ends on December 31. These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission (the "SEC") in February 2026 (the "Annual Report").

In our opinion, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of our financial position, results of operations, and cash flows. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the year ending December 31, 2026.

There have been no changes to our significant accounting policies described in our Annual Report that have had a material impact on our consolidated financial statements and related notes.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts in the consolidated financial statements. Management's estimates and judgments are based on historical information available as of the date of the consolidated financial statements and various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates.

Key estimates and judgments relate primarily to determining the recoverability of long-lived assets, evaluation of contingencies, uncertain tax positions, and the fair value of strategic investments. On an ongoing basis, management evaluates our estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities.

2. Revenue

We determine revenue recognition by first identifying the contract or contracts with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognizing revenue when, or as, we satisfy a performance obligation.

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We determine collectability by performing ongoing credit evaluations and monitoring customer accounts receivable balances. Sales tax, including value added tax, is excluded from reported revenue.

In arrangements where another party is involved in providing specified services to a customer, we evaluate whether we are the principal or agent. In this evaluation, we consider if we obtain control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price.

Advertising Revenue

We generate the substantial majority of our revenue through the sale of our advertising products on Snapchat, which include Snap Ads and AR Ads, referred to as advertising revenue. AR Ads include Sponsored Lenses, which allow users to interact with an advertiser's brand by enabling branded augmented reality experiences.

Advertising revenue is primarily generated from the display of advertisements on Snapchat through contractual agreements that are either based on the number of advertising impressions delivered or on a fixed fee basis over a period of time. Revenue related to agreements based on the number of impressions delivered is recognized when the advertisement is served. Revenue related to fixed fee arrangements is recognized ratably over the service period, typically less than 30 days in duration, and such arrangements do not contain minimum impression guarantees.

For advertising revenue arrangements where we are not the principal, we recognize revenue on a net basis. For the periods presented, revenue for arrangements where we are the agent was not material.

Other Revenue

Other revenue primarily consists of revenue from subscriptions, which include Snapchat+, Lens+, and Snapchat Platinum. These services provide subscribers access to exclusive, experimental, and pre-release features, as well as an ad-free experience for Snapchat Platinum subscribers. We also generate subscription revenue from Memories Storage Plans, which provide subscribers with the ability to purchase cloud storage. Subscription revenue is initially deferred and then recognized ratably over the term of the subscription, which is generally one year or less. We report subscription revenue gross of transaction processing fees, which are recognized within cost of revenue on our consolidated statements of operations.

Other revenue also includes amounts earned from partnerships. These agreements are typically structured as fixed-fee arrangements with contract terms that may exceed one year, with revenue recognized ratably over the service period.

We also generate revenue from subscriptions and sales of physical products. Sales of physical products are reported net of allowances for returns. For the periods presented, all such revenue was not material.

The following table represents our revenue disaggregated by source:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Advertising revenue	$ 1,372,788	$ 1,317,119	$ 3,898,772	$ 3,701,536
Other revenue	349,683	189,720	951,483	513,450
Total revenue	$ 1,722,471	$ 1,506,839	$ 4,850,255	$ 4,214,986

The following table represents our revenue disaggregated by geography based on the billing address of the customer:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
North America [1] [2]	$ 978,792	$ 870,030	$ 2,708,278	$ 2,479,359
Europe [3]	361,721	285,800	1,030,897	763,266
Rest of World	381,958	351,009	1,111,080	972,361
Total revenue	$ 1,722,471	$ 1,506,839	$ 4,850,255	$ 4,214,986

(1) North America includes Mexico, the Caribbean, and Central America.
(2) United States revenue was $945.4 million and $2,614.6 million for the three and nine months ended September 30, 2026, respectively, and $841.0 million and $2,395.6 million for the three and nine months ended September 30, 2025, respectively.
(3) Europe includes Turkey. Europe also includes Russia and Belarus; however, we maintain a policy prohibiting sales to entities in these countries.

Deferred revenue, included in accrued expenses and other current liabilities on our consolidated balance sheets, was $246.6 million and $145.2 million as of September 30, 2026 and December 31, 2025, respectively.

3. Net Income (Loss) per Share

We compute net income (loss) per share using the two-class method required for multiple classes of common stock. Although shares of our Class A, Class B, and Class C common stock have different voting and conversion rights, they have identical economic rights. Accordingly, basic and diluted net income (loss) per share is the same for each class of common stock and therefore is presented on a combined basis.

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of shares of stock outstanding during the period, adjusted for restricted stock awards ("RSAs") for which the risk of forfeiture has not yet lapsed.

Diluted net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of diluted common shares outstanding during the period. To calculate diluted common shares outstanding, we use the if-converted method for our convertible senior notes and the treasury stock method for stock options, RSAs, and restricted stock units ("RSUs").

The numerators and denominators of the basic and diluted net income (loss) per share computations for our common stock are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except per share data)			
Numerator:				
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Denominator:				
Weighted-average common shares - Basic [1]	1,693,497	1,696,542	1,681,559	1,689,251
Effect of dilutive RSUs and RSAs [2]	6,695	—	—	—
Weighted-average common shares - Diluted	1,700,192	1,696,542	1,681,559	1,689,251
Net income (loss) per share:				
Basic	$ 0.03	$ (0.06)	$ (0.12)	$ (0.30)
Diluted	$ 0.03	$ (0.06)	$ (0.12)	$ (0.30)

(1) Includes 1,439 million and 1,442 million shares of Class A common stock for the three months ended September 30, 2026 and 2025, respectively; and 1,427 million and 1,435 million shares of Class A common stock for the nine months ended September 30, 2026 and 2025, respectively. Includes 23 million shares of Class B common stock and 232 million shares of Class C common stock for each of the periods presented.

(2) Dilutive effect of RSUs and RSAs relate to shares of Class A common stock.

The following potentially dilutive shares were excluded from the calculation of diluted net income (loss) per share because their effect would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Stock options	466	577	466	577
Unvested RSUs and RSAs	130,519	149,716	220,111	149,716
Convertible senior notes	44,131	46,193	44,131	46,193

4. Stockholders' Equity

We maintain one active share-based employee compensation plan: the 2017 Equity Incentive Plan (the "2017 Plan"). The 2017 Plan provides for the grant of incentive stock options to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options, stock appreciation rights, RSAs, RSUs, performance stock awards, performance cash awards, and other forms of stock awards to employees, directors, and consultants, including employees and consultants of our affiliates.

Restricted Stock Units and Restricted Stock Awards

The following table summarizes the RSU and RSA activity for the nine months ended September 30, 2026:

	Number of Class A Shares		Weighted-Average Grant Date Fair Value
	(in thousands, except per share data)		
Unvested as of December 31, 2025	167,374	$	9.23
Granted	201,701	$	5.53
Vested	(97,894)	$	8.10
Forfeited	(51,070)	$	7.98
Unvested as of September 30, 2026	220,111	$	6.63

All RSUs and RSAs vest on the satisfaction of a service-based condition. Total unrecognized compensation cost related to outstanding RSUs and RSAs was $1.4 billion as of September 30, 2026 and is expected to be recognized over a weighted-average period of 2.2 years. The service condition for RSUs and RSAs is generally satisfied in equal monthly or quarterly installments over three to four years.

Stock Options

For the three and nine months ended September 30, 2026, stock option forfeitures were immaterial and there were no stock option grants or exercises. As of September 30, 2026, all outstanding options were fully vested, and there was no unrecognized compensation cost related to stock options.

Stock-Based Compensation Expense

Total stock-based compensation expense by function was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Cost of revenue	$ 1,407	$ 2,327	$ 5,804	$ 5,417
Research and development	176,447	171,649	543,864	495,146
Sales and marketing	54,421	51,236	147,095	154,386
General and administrative	22,514	35,151	71,255	104,638
Total	$ 254,789	$ 260,363	$ 768,018	$ 759,587

Stock Repurchases

In February 2026, our board of directors authorized a stock repurchase program of up to $500.0 million of our Class A common stock. During the nine months ended September 30, 2026, we repurchased and retired 68.5 million shares of our Class A common stock for $350.7 million, including costs associated with the repurchases. As of September 30, 2026, the remaining availability under the stock repurchase authorization was $150.0 million.

In November 2025, our board of directors authorized a stock repurchase program of up to $500.0 million of our Class A common stock. We completed this program in January 2026. Under the program, we repurchased and retired 59.4 million shares of our Class A common stock for $500.6 million, including costs associated with the repurchases, representing the entire amount approved by our board of directors in November 2025.

In October 2024, our board of directors authorized a stock repurchase program of up to $500.0 million of our Class A common stock. We completed this program in May 2025. Under the program, we repurchased and retired 57.3 million shares of our Class A common stock for $500.6 million, including costs associated with the repurchases, representing the entire amount approved by our board of directors in October 2024.

5. Business Acquisitions

In the nine months ended September 30, 2026, the aggregate purchase consideration for business acquisitions was $88.1 million, which primarily consisted of $68.3 million in cash and $13.6 million recorded in other liabilities in our consolidated balance sheet as of the date of acquisition. Of the aggregate purchase consideration, $60.8 million was allocated to goodwill and the remainder primarily to identifiable intangible assets. The acquired assets are expected to enhance our existing platform, technology, and workforce. The goodwill amount represents synergies related to our existing platform expected to be realized from the business acquisitions and assembled workforce. Of the acquired goodwill and intangible assets, $10.0 million is deductible for tax purposes.

Refer to Note 1 in our consolidated financial statements in the Annual Report for additional details related to our accounting policies for business combinations.

6. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the nine months ended September 30, 2026 were as follows:

	Goodwill
	(in thousands)
Balance as of December 31, 2025	$ 1,720,769
Goodwill acquired	60,758
Foreign currency translation	(2,441)
Balance as of September 30, 2026	$ 1,779,086

Intangible assets consisted of the following:

	As of September 30, 2026			
	Weighted-Average Remaining Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net
		(in thousands, except years)		
Technology	3.0	$ 299,471	$ (227,811)	$ 71,660
Patents	8.6	16,788	(5,706)	11,082
Other	4.5	4,826	(1,145)	3,681
Total intangible assets		$ 321,085	$ (234,662)	$ 86,423

	As of December 31, 2025			
	Weighted-Average Remaining Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net
		(in thousands, except years)		
Technology	2.6	$ 328,234	$ (274,464)	$ 53,770
Patents	8.9	30,172	(17,485)	12,687
Other	3.3	835	(679)	156
Total intangible assets		$ 359,241	$ (292,628)	$ 66,613

Amortization of intangible assets was $7.9 million and $29.5 million for the three and nine months ended September 30, 2026, respectively, and $11.5 million and $35.1 million for the three and nine months ended September 30, 2025, respectively.

As of September 30, 2026, the estimated intangible asset amortization expense for the next five years and thereafter is as follows:

	Estimated Amortization
	(in thousands)
Remainder of 2026	$ 7,759
2027	30,722
2028	20,215
2029	14,986
2030	6,500
Thereafter	6,241
Total	$ 86,423

7. Debt

Senior Notes

2034 Notes

In August 2025, we entered into a purchase agreement for the sale of $550.0 million principal amount of senior notes due in 2034 (the "2034 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The proceeds from the issuance of the 2034 Notes, net of $8.9 million in debt issuance costs, were $541.1 million and primarily used for the August 2025 repurchase transactions, as discussed below. In connection with the August 2025 repurchase transactions, $1.4 million of the debt issuance costs were expensed in the third quarter of 2025, with the remainder to be amortized to interest expense using the effective interest rate method. The 2034 Notes are unsecured and unsubordinated obligations.

2033 Notes

In February 2025, we entered into a purchase agreement for the sale of $1.50 billion principal amount of senior notes due in 2033 (the "2033 Notes" and collectively with the 2034 Notes, the "Senior Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act. The proceeds from the issuance of the 2033 Notes, net of $26.9 million in debt issuance costs, were $1.47 billion and primarily used for the February 2025 repurchase transactions, as discussed below. In connection with the February 2025 repurchase transactions, $6.5 million of the debt issuance costs were expensed in the first quarter of 2025, with the remainder to be amortized to interest expense using the effective interest rate method. The 2033 Notes are unsecured and unsubordinated obligations.

Additional terms related to the 2033 Notes and 2034 Notes (collectively, the "Senior Notes") are as follows:

	Maturity Date	Redemption Date [1]	Stated Interest Rate [2]	Effective Interest Rate
2033 Notes	March 1, 2033	March 1, 2028	6.875 %	5.81 %
2034 Notes	March 15, 2034	September 15, 2028	6.875 %	6.86 %

(1) We may redeem for cash all or any portion of the Senior Notes, at our option, at any time prior to the redemption dates at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed plus any accrued and unpaid interest and a "make-whole" premium as provided in the respective indentures. Until the redemption dates, we may redeem up to 40% of the original aggregate principal amount of the Senior Notes with the net cash proceeds of certain equity offerings at a redemption price of 106.875% of the principal amount of the Senior Notes to be redeemed plus accrued and unpaid interest. In addition, we may redeem all or any portion of the Senior Notes at any time on or after the redemption dates at the redemption prices set forth in the respective indentures, plus any accrued and unpaid interest.

(2) Interest is payable in cash semi-annually in arrears.

The Senior Notes include customary terms and covenants, including certain events of default, after which the Senior Notes may be due and payable immediately. In addition, if we experience certain change of control events, as described in the respective indentures, we will be required to make an offer to repurchase some or all of the Senior Notes at a price equal to 101% of the principal amount of the Senior Notes to be repurchased plus accrued and unpaid interest.

Convertible Senior Notes

2030 Notes

In May 2024, we entered into a purchase agreement for the sale of an aggregate of $750.0 million principal amount of convertible senior notes due in 2030 (the "2030 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The net proceeds from the issuance of the 2030 Notes were $671.5 million, net of debt issuance costs and cash used to purchase the capped call transactions (the "2030 Capped Call Transactions") discussed below. The 2030 Notes are unsecured and unsubordinated obligations.

2028 Notes

In February 2022, we entered into a purchase agreement for the sale of an aggregate of $1.50 billion principal amount of convertible senior notes due in 2028 (the "2028 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The net proceeds from the issuance of the 2028 Notes were $1.31 billion, net of debt issuance costs and cash used to purchase the capped call transactions (the "2028 Capped Call Transactions") discussed below. The 2028 Notes are unsecured and unsubordinated obligations.

2027 Notes

In April 2021, we entered into a purchase agreement for the sale of an aggregate of $1.15 billion principal amount of convertible senior notes due in 2027 (the "2027 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The net proceeds from the issuance of the 2027 Notes were $1.05 billion, net of debt issuance costs and cash used to purchase the capped call transactions (the "2027 Capped Call Transactions") discussed below. The 2027 Notes are unsecured and unsubordinated obligations.

2026 Notes

In August 2019, we entered into a purchase agreement for the sale of an aggregate of $1.265 billion principal amount of convertible senior notes due in 2026 (the "2026 Notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The net proceeds from the issuance of the 2026 Notes were $1.15 billion, net of debt issuance costs and cash used to purchase the capped call transactions (the "2026 Capped Call Transactions") discussed below. The 2026 Notes were unsecured and unsubordinated obligations. The outstanding balance of the 2026 Notes was repaid in accordance with its contractual terms.

Additional terms related to the 2026 Notes, 2027 Notes, 2028 Notes, and 2030 Notes (collectively, the "Convertible Notes") are as follows:

	Maturity Date	Redemption Date [1]	Optional Conversion Date [2]	Initial Conversion Rate [3]	Stated Interest Rate [4]	Effective Interest Rate
2026 Notes [5]	August 1, 2026	August 6, 2023	May 1, 2026	43.8481	0.75 %	0.91 %
2027 Notes	May 1, 2027	May 5, 2024	February 1, 2027	11.2042	— %	0.19 %
2028 Notes	March 1, 2028	March 5, 2025	December 1, 2027	17.7494	0.125 %	0.32 %
2030 Notes	May 1, 2030	May 5, 2027	February 1, 2030	45.0846	0.50 %	1.21 %

(1) We may redeem for cash all or any portion of the Convertible Notes, at our option, on or after the redemption dates based on certain circumstances as described in the respective indentures governing the Convertible Notes.

(2) Holders of the Convertible Notes may convert all or a portion of their notes at their option prior to the optional conversion date, in multiples of $1,000 principal amounts, under certain circumstances as described in the respective indentures governing the Convertible Notes. On or after the optional conversion date, the Convertible Notes are convertible at any time until the close of business on the business day immediately preceding the respective maturity date.

(3) The Convertible Notes are convertible into cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election, at the initial conversion rates of Class A common stock per $1,000 principal amount of the respective Convertible Note. The initial conversion rates specified above represent an initial conversion price of $22.81, $89.25, $56.34, and $22.18 per share of our Class A common stock for the 2026 Notes, 2027 Notes, 2028 Notes, and 2030 Notes, respectively. The initial conversion rates are subject to customary adjustments for certain events as described in the respective indentures governing the Convertible Notes. Additionally, holders of the Convertible Notes who convert their notes in connection with a make-whole fundamental change or a redemption are entitled to an increase in the conversion rates, as described in the indentures governing the Convertible Notes. In the event of a fundamental change, holders of the Convertible Notes may require us to repurchase all or a portion of the Convertible Notes at a price equal to 100% of the principal amount, plus any accrued and unpaid interest, if any.

(4) Interest is payable in cash semi-annually in arrears, except for the 2027 Notes, which do not bear regular interest.

(5) The outstanding balance of the 2026 Notes was repaid in accordance with its contractual terms.

As of September 30, 2026, the if-converted value of the outstanding Convertible Notes did not exceed the principal amount. The sale price for conversion was not satisfied as of September 30, 2026 for the Convertible Notes, and as a result, the Convertible Notes will not be eligible for optional conversion during the fourth quarter of 2026. No sinking fund is provided for the Convertible Notes, which means that we are not required to redeem or retire them periodically.

Refer to Note 7 in our consolidated financial statements in the Annual Report for additional details.

2025 Note Repurchases

In February 2025, we entered into various privately negotiated repurchase transactions (the "February 2025 Note Repurchases") with certain holders of the 2026 Notes, 2027 Notes, and 2028 Notes, pursuant to which we repurchased $45.3 million in aggregate principal amount of the 2026 Notes, $797.4 million in aggregate principal amount of the 2027 Notes, and $800.0 million in aggregate principal amount of the 2028 Notes. The total cash repurchase price was $1.4 billion, which was $190.1 million below the carrying value of the repurchased notes. The February 2025 Note Repurchases were accounted for as both a debt modification and a partial debt extinguishment, which resulted in a $66.9 million gain on extinguishment in the first quarter of 2025. The portion accounted for as a debt modification resulted in a $128.3 million increase to the carrying value of the 2033 Notes, offset by $5.1 million of debt issuance costs carried over from the repurchased notes.

In August 2025, we entered into various privately negotiated repurchase transactions (the "August 2025 Note Repurchases," and collectively with the February 2025 Note Repurchases, the "2025 Note Repurchases") with certain holders of the 2026 Notes, 2027 Notes, and 2028 Notes, pursuant to which we repurchased $157.4 million in aggregate principal amount of the 2026 Notes, $246.3 million in aggregate principal amount of the 2027 Notes, and $185.8 million in aggregate principal amount of the 2028 Notes. The total cash repurchase price was $549.9 million, which was $37.7 million below the carrying value of the repurchased notes. The August 2025 Note Repurchases were accounted for as both a debt modification and a partial debt extinguishment, which resulted in a $29.8 million gain on extinguishment in the third quarter of 2025. The portion accounted for as a debt modification resulted in a $8.3 million increase to the carrying value of the 2034 Notes, offset by $0.4 million of debt issuance costs carried over from the repurchased notes.

Gains and losses on extinguishment are included within other income (expense), net on our consolidated statements of operations.

The Senior Notes and the Convertible Notes (collectively, the "Notes") rank equally with each other and consist of the following:

	As of September 30, 2026				As of December 31, 2025			
	Principal	Unamortized Debt Issuance Costs	Unamortized (Discount) Premium	Net Carrying Amount	Principal	Unamortized Debt Issuance Costs	Unamortized (Discount) Premium	Net Carrying Amount
	(in thousands)							
Convertible Notes:								
2026 Notes	$ —	$ —	$ —	$ —	$ 47,013	$ (44)	$ —	$ 46,969
2027 Notes	106,318	(116)	—	106,202	106,318	(264)	—	106,054
2028 Notes	514,191	(1,383)	—	512,808	514,191	(2,111)	—	512,080
2030 Notes	750,000	(5,148)	(13,487)	731,365	750,000	(6,197)	(16,238)	727,565
Senior Notes:								
2033 Notes	1,500,000	(21,278)	106,943	1,585,665	1,500,000	(23,288)	117,043	1,593,755
2034 Notes	550,000	(7,065)	7,443	550,378	550,000	(7,597)	8,003	550,406
Total Notes	$ 3,420,509	$ (34,990)	$ 100,899	$ 3,486,418	$ 3,467,522	$ (39,501)	$ 108,808	$ 3,536,829

The following table summarizes interest expense related to our Notes:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Contractual interest expense	$ 36,362	$ 32,848	$ 109,203	$ 74,797
Amortization of debt issuance costs	1,509	2,935	4,510	12,641
Amortization of debt discount (premium)	(2,685)	(2,411)	(7,908)	(5,351)
Total interest expense	$ 35,186	$ 33,372	$ 105,805	$ 82,087

Cash paid for interest was $71.4 million and $148.7 million for the three and nine months ended September 30, 2026, respectively, and $58.1 million and $62.7 million for the three and nine months ended September 30, 2025, respectively.

Capped Call Transactions

In connection with the pricing of the 2026 Notes, the 2027 Notes, the 2028 Notes, and the 2030 Notes, we entered into the 2026 Capped Call Transactions, the 2027 Capped Call Transactions, the 2028 Capped Call Transactions, and the 2030 Capped Call Transactions (collectively, the "Capped Call Transactions"), respectively, with certain counterparties at a net cost of $102.1 million, $86.8 million, $177.0 million, and $68.9 million, respectively. The cap price of the 2026 Capped Call Transactions, the 2027 Capped Call Transactions, the 2028 Capped Call Transactions, and the 2030 Capped Call Transactions is initially $32.58, $121.02, $93.90, and $33.48 per share of our Class A common stock, respectively. All are subject to certain adjustments under the terms of the Capped Call Transactions. Conditions that cause adjustments to the initial strike price of the Capped Call Transactions mirror conditions that result in corresponding adjustments for the Convertible Notes.

The Capped Call Transactions are intended to reduce potential dilution to holders of our Class A common stock beyond the conversion prices up to the cap prices on any conversion of the Convertible Notes or offset any cash payments we are required to make in excess of the principal amount, as the case may be, with such reduction or offset subject to a cap. The cost of the Capped Call Transactions was recorded as a reduction of our additional paid-in capital in our consolidated balance sheets. The Capped Call Transactions will not be remeasured as long as they continue to meet the conditions for equity classification.

In August 2026, the 2026 Capped Call Transactions expired in connection with the maturity of the 2026 Notes. As of September 30, 2026, the remaining Capped Call Transactions were out-of-the-money.

Credit Facility

In May 2022, we entered into a five-year senior unsecured revolving credit facility (the "Credit Facility") with certain lenders that allows us to borrow up to $1.05 billion to fund working capital and general corporate-purpose expenditures. Loans bear interest, at our option, at a rate equal to (i) a term secured overnight financing rate ("SOFR") plus 0.85% or the base rate, if selected by us, for loans made in U.S. dollars, (ii) the Sterling overnight index average plus 0.7826% for loans made in Sterling, or (iii) foreign indices as stated in the credit agreement plus 0.75% for loans made in other permitted foreign currencies. The base rate is defined as the greatest of (i) the Wall Street Journal prime rate, (ii) the greater of the (a) federal funds rate and (b) the overnight bank funding rate, plus 0.50%, and (iii) the applicable SOFR for a period of one month (but not less than zero) plus 1.00%. The Credit Facility also contains an annual commitment fee of 0.10% on the daily undrawn balance of the facility.

In February 2025, we amended the Credit Facility to extend the term of $800.0 million of the $1.05 billion to February 12, 2030, with the remaining $250.0 million of the Credit Facility maturing on the existing maturity date of May 6, 2027. In addition, the amendment increased the minimum liquidity covenant (defined as unrestricted cash and cash equivalents) from $300.0 million to $800.0 million. As of September 30, 2026, we had $111.4 million in the form of outstanding standby letters of credit, with no amounts outstanding under the Credit Facility.

8. Commitments and Contingencies

Commitments

We have non-cancelable contractual agreements primarily related to the hosting of our data processing, storage, and other computing services, as well as lease, content and developer partner, and other commitments. We had $2.6 billion in commitments as of September 30, 2026, largely due within three years. For additional discussion on leases, see Note 9 to our consolidated financial statements.

Contingencies

We record a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We also disclose material contingencies when we believe a loss is not probable but reasonably possible. Accounting for contingencies requires us to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. Many legal and tax contingencies can take years to be resolved.

Securities-Related Matters

On August 21, 2025, we, and certain of our officers, were named as defendants in a federal securities class action lawsuit filed in the U.S. District Court for the Central District of California. The lawsuit was purportedly brought on behalf of purchasers of our Class A common stock. The lawsuit alleges that we and certain of our officers made false or misleading statements concerning an ad platform change that impacted revenue in the first half of 2025. Plaintiffs seek monetary damages and other relief. In December 2025, the plaintiffs voluntarily dismissed the case which may be refiled in the future. We believe we have meritorious defenses to the claims, and will defend it vigorously, but litigation is inherently uncertain, and an unfavorable outcome could seriously harm our business. For this pending matter, it is not possible to reasonably estimate the amount or range of loss.

Platform-Related Matters

Beginning on January 20, 2022, we were named as a defendant in various federal and state courts by plaintiffs alleging that the design and use of our platform, and those of our competitors, is addictive and harmful to users, with most of the cases focused on mental health harms and users under 18-years old. Thousands of plaintiffs are pursuing such claims. The majority of cases have been consolidated in either a federal Multi-District Litigation pending in the U.S. District Court for the Northern District of California, or MDL, or a California Judicial Council Coordinated Proceeding, or JCCP, pending in the Complex Division of the Los Angeles County Superior Court. Trials for the individual plaintiff bellwether cases in the JCCP started in January 2026. Snap reached confidential settlements resolving the first four JCCP bellwether trials. The next bellwether trials are scheduled for March 2027. A putative class action asserting similar allegations was also filed in Canada and Israel.

Numerous school districts, municipalities and tribal nations have filed public nuisance and other claims based on similar allegations, which also were consolidated in either the MDL or JCCP. In the JCCP proceeding, the court dismissed the school district and municipality plaintiffs' claims without prejudice, which ruling is now on appeal. Some of those dismissed plaintiffs have refiled their claims in the MDL or other venues. In June 2026, Snap reached a settlement agreement resolving the first school district case set for trial. The trial date for the next school district trials including Snap is scheduled for February 2027. We have received similar claims in Canada.

Beginning on January 30, 2024, certain U.S. state attorneys general have filed lawsuits against us making similar allegations as well as allegations regarding harmful and mature content, child safety concerns, sexual exploitation of minors, misuse by bad actors, unlawful data collection, privacy violations, and allegedly misleading safety and marketing campaigns. These lawsuits assert various legal claims, including violations of state consumer protection laws, unfair and deceptive business practices, product liability, negligence, public nuisance, and unjust enrichment. Trials are scheduled to begin in the Nevada and New Mexico attorneys general actions in August 2027.

On October 13, 2022, we were named as a defendant in a lawsuit in Los Angeles Superior Court alleging that we should be responsible for the deaths of young people who died from ingesting fatal doses of fentanyl after allegedly communicating on Snapchat with drug dealers concerning drug transactions. Other similar lawsuits were filed on behalf of other families, which were coordinated with the first-filed case and assigned to the same judge. On January 2, 2024, the judge granted in part and overruled in part our demurrer to the lawsuit, allowing several of the claims to proceed. Trials are scheduled to begin in late 2027.

On July 24, 2025, a lawsuit was filed against Roblox and Snap alleging that a minor had met a stranger on Roblox and became an alleged victim of sexual exploitation occurring on both Roblox and Snapchat. Similar lawsuits have been filed by additional families, including against other platforms. In December 2025, a federal Multi-District Litigation proceeding was formed to coordinate similar cases that had been filed in federal court. There are separate cases proceeding in state court that have been consolidated into a JCCP. In all of these matters, the victim is alleged to have met a stranger on Roblox followed by exploitation allegedly occurring on Roblox or another platform, such as Snapchat, Instagram, or Discord. Other cases concerning sexual exploitation of a minor, where the minor is not alleged to have met the bad actor on Roblox, have also been filed; these cases are not currently consolidated. In some instances, those cases are only against Snap. In other cases, Snap is sued alongside other platforms and defendants.

On September 15, 2025, Snap filed a complaint against its insurance carriers in San Francisco Superior Court seeking declaratory relief regarding Snap's entitlement to insurance coverage for claims alleging that use of Snapchat has caused bodily injury or property damage. On March 26, 2026, the insurance carriers filed answers and many carriers filed cross-complaints alleging that they have no duty to defend or indemnify Snap for some or all of these claims. Snap filed a motion to stay the case pending litigation of the underlying claims implicating coverage, which the Court denied. Several carriers have filed a motion for summary adjudication on the duty to defend point, and this motion is set to be heard on December 10, 2026.

On June 9, 2026 and September 7, 2026, two Dutch claim foundations filed related collective actions against Snap in the Amsterdam District Court purportedly on behalf of Snapchat users in the Netherlands, with one foundation also asking the court to allow users across the European Union to opt into the proceedings. The lawsuits allege violations of European Union and Dutch privacy, digital services, artificial intelligence, consumer protection, product liability, tort, and other laws, including in connection with personalized advertising, allegedly addictive features, minor safety, allegedly illegal content, and our My AI chatbot. The lawsuits seek declaratory and injunctive relief and monetary damages.

We believe we have meritorious defenses to these lawsuits, and plan to continue to defend them vigorously, but litigation is inherently uncertain and an unfavorable outcome, including substantial potential damages, penalties, fines and injunctive relief, could seriously harm our business. For the pending platform-related matters discussed above, it is not possible to reasonably estimate the amount or range of loss. Any settlements related to the matters above were not material for the periods presented.

Regulatory-Related Matters

We are also subject to government investigations, inquiries, and notifications of potential litigation from multiple regulators in various jurisdictions globally concerning the use of our products and features, and the alleged mental and physical health and safety impacts on users, in particular younger users. For example, on March 26, 2026, the European Commission initiated proceedings under the European Union Digital Services Act, or DSA, to investigate Snap's compliance with certain obligations applicable to very large online platforms, including with respect to systemic risk assessments and mitigation measures and protections for minors in the European Union. The proceedings are at an early stage and we are cooperating with the European Commission. At this time, we are unable to predict the outcomes of these matters or reasonably estimate a range of possible loss, if any. The proceedings could, however, result in findings that we have not complied with the DSA, the imposition of significant fines, and orders or otherwise requiring us to implement additional or different measures, modify or cease certain product features or practices in the European Union, or otherwise change our business practices. We plan to continue to engage with the regulators productively and believe we have meritorious defenses to any legal proceedings that may arise out of these investigations and inquiries, but any legal proceedings that may arise are inherently uncertain and an unfavorable outcome, including substantial potential damages, penalties, fines and injunctive relief, could seriously harm our business. Any violation of existing or future regulatory orders or consent decrees, or new regulatory investigations or proceedings, could subject us to substantial monetary fines and other penalties that could seriously harm our business. For this pending matter, it is not possible to reasonably estimate the amount or range of loss.

We are currently involved in, and may in the future be involved in, legal proceedings, claims, inquiries, and investigations in the ordinary course of our business, including claims for infringing intellectual property rights related to our products and the content contributed by our users and partners and claims by consumer advocacy and privacy groups in international jurisdictions alleging violations of consumer protection, privacy, data localization, and minor safety laws. The outcomes of these legal proceedings are inherently unpredictable, subject to significant uncertainties, and could be material to our financial condition, results of operations, and cash flows for a particular period. Although the results of these proceedings, claims, inquiries, and investigations cannot be predicted with certainty, we do not believe that the final outcome of these matters is reasonably likely to have a material adverse effect on our business, financial condition, or results of operations. Regardless of final outcomes, however, any such proceedings, claims, inquiries, and investigations may nonetheless impose a significant burden on management and employees and may come with costly defense costs or unfavorable preliminary and interim rulings.

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, investors, directors, officers, employees, and other parties with respect to certain matters. Indemnification may include losses from our breach of such agreements, services we provide, or third-party intellectual property infringement claims. These indemnifications may survive termination of the underlying agreement and the maximum potential amount of future indemnification payments may not be subject to a cap. We have not incurred material costs to defend lawsuits or settle claims related to these indemnifications as of September 30, 2026. We believe the fair value of these liabilities is immaterial and accordingly have no liabilities recorded for these agreements at September 30, 2026.

9. Leases

We have non-cancelable lease agreements for certain of our offices with original lease terms expiring between 2026 and 2042. Total operating lease costs were $29.4 million and $87.2 million for the three and nine months ended September 30, 2026, respectively, and $26.5 million and $78.8 million for the three and nine months ended September 30, 2025, respectively.

The weighted-average remaining lease term (in years) and discount rate related to our operating leases were as follows:

	As of September 30,	
	2026	2025
Weighted-average remaining lease term	8.2	8.8
Weighted-average discount rate	6.4 %	6.1 %

The maturities of our operating lease liabilities as of September 30, 2026 were as follows:

	Operating Leases
	(in thousands)
Remainder of 2026	$ 23,157
2027	101,390
2028	113,561
2029	106,876
2030	89,227
Thereafter	414,599
Total lease payments	848,810
Less: imputed interest	(207,264)
Present value of lease liabilities	$ 641,546

As of September 30, 2026, we had additional operating leases that have not yet commenced for facilities with lease obligations of $391.5 million. These operating leases will commence between 2026 and 2027 with lease terms of approximately two years to seventeen years.

Cash payments included in the measurement of our operating lease liabilities, net of lease incentives received, were $24.1 million and $67.0 million for the three and nine months ended September 30, 2026, respectively, and $27.6 million and $82.6 million for the three and nine months ended September 30, 2025, respectively.

Lease liabilities arising from obtaining operating lease right-of-use assets were $1.7 million and $109.3 million for the three and nine months ended September 30, 2026, respectively, and $0.6 million and $29.4 million for the three and nine months ended September 30, 2025, respectively.

10. Strategic Investments

We hold strategic investments primarily in privately held companies, which consist of equity securities without readily determinable fair values, and to a lesser extent, debt securities. These strategic investments are primarily recorded at fair value on a non-recurring basis. The estimation of fair value for these privately held strategic investments requires the use of significant unobservable inputs, such as the issuance of new equity by the company, and as a result, we deem these assets as Level 3 financial instruments within the fair value measurement framework.

The following table summarizes our strategic investments held as of September 30, 2026 and December 31, 2025:

	As of September 30, 2026	As of December 31, 2025
	(in thousands)	
Initial cost	$ 115,599	$ 115,761
Cumulative upward adjustments	146,659	145,932
Cumulative downward adjustments, including impairments	(78,383)	(77,956)
Carrying value	$ 183,875	$ 183,737

Gains and losses recognized during the periods presented were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Gains recognized on strategic investments sold during the period, net	$ —	$ —	$ —	$ 2,109
Unrealized gains on strategic investments still held at the reporting date	—	586	727	586
Unrealized losses, including impairments, on strategic investments still held at the reporting date	(19)	—	(428)	(14,881)
Gains (losses) on strategic investments, net	$ (19)	$ 586	$ 299	$ (12,186)

Gains and losses on all strategic investments are included within other income (expense), net on our consolidated statements of operations and included as an adjustment to reconcile net income (loss) to net cash provided by operating activities in our consolidated statements of cash flows. Strategic investments are included within other assets on our consolidated balance sheets.

11. Fair Value Measurements

Assets and liabilities measured at fair value are classified into the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs reflecting the reporting entity’s own assumptions or external inputs from inactive markets.

We classify our cash equivalents and marketable securities within Level 1 or Level 2 because we use quoted market prices or alternative pricing sources and models utilizing observable market-based inputs to determine their fair value.

The following tables set forth our financial assets that are measured at fair value on a recurring basis, excluding publicly traded equity securities, as of September 30, 2026 and December 31, 2025:

		As of September 30, 2026			
	Fair Value Hierarchy	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
		(in thousands)			
Cash		$ 621,552	$ —	$ —	$ 621,552
Cash equivalents:					
Money market funds	Level 1	394,970	—	—	394,970
U.S. government securities	Level 1	2,693	—	—	2,693
Total cash and cash equivalents		1,019,215	—	—	1,019,215
Marketable debt securities:					
U.S. government securities	Level 1	1,638,814	33	(12,115)	1,626,732
Corporate debt securities	Level 2	123,868	7	(882)	122,993
Total marketable debt securities		1,762,682	40	(12,997)	1,749,725
Total		$ 2,781,897	$ 40	$ (12,997)	$ 2,768,940

		As of December 31, 2025			
	Fair Value Hierarchy	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
		(in thousands)			
Cash		$ 399,573	$ —	$ —	$ 399,573
Cash equivalents:					
Money market funds	Level 1	630,862	—	—	630,862
Total cash and cash equivalents		1,030,435	—	—	1,030,435
Marketable debt securities:					
U.S. government securities	Level 1	1,796,271	6,479	(5)	1,802,745
Corporate debt securities	Level 2	97,701	161	(6)	97,856
Total marketable debt securities		1,893,972	6,640	(11)	1,900,601
Total		$ 2,924,407	$ 6,640	$ (11)	$ 2,931,036

Gross unrealized losses on marketable debt securities were not material as of September 30, 2026 and December 31, 2025. As of September 30, 2026 and December 31, 2025, we considered any decreases in fair value on our marketable debt securities to be driven by factors other than credit risk, including market risk. As of September 30, 2026, $0.9 billion of our total $1.7 billion in marketable debt securities have contractual maturities between one and five years. All other marketable debt securities have contractual maturities less than one year.

We carry the Notes at face value less any unamortized debt issuance costs and discounts, plus unamortized premiums on our consolidated balance sheets, and present the fair value for disclosure purposes only. As of September 30, 2026, the fair value of the 2027 Notes, the 2028 Notes, the 2030 Notes, the 2033 Notes, and the 2034 Notes was $103.1 million, $477.6 million, $627.5 million, $1,418.4 million, and $516.2 million, respectively. As of December 31, 2025, the fair value of the 2026 Notes, the 2027 Notes, the 2028 Notes, the 2030 Notes, the 2033 Notes, and the 2034 Notes was $45.8 million, $99.1 million, $467.9 million, $655.4 million, $1,553.8 million, and $566.2 million, respectively. The estimated fair value of the Notes, which are classified as Level 2 financial instruments, was determined based on actual quoted or bid prices of the Notes in an over-the-counter market on the last business day of the period.

Schedule of Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in our consolidated balance sheets to the total of the amounts in the consolidated statements of cash flows.

	As of September 30,	
	2026	2025
	(in thousands)	
Cash and cash equivalents	$ 1,019,215	$ 953,317
Restricted cash, included in other assets	1,543	2,182
Total cash, cash equivalents, and restricted cash	$ 1,020,758	$ 955,499

12. Income Taxes

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items arising in that quarter. Our effective tax rate differs from the U.S. statutory tax rate primarily due to valuation allowances on our deferred tax assets as it is more likely than not that some or all of our deferred tax assets will not be realized. Income tax expense was $9.8 million and $15.4 million for the three and nine months ended September 30, 2026, respectively, and $0.5 million and $16.6 million for the three and nine months ended September 30, 2025, respectively.

13. Accumulated Other Comprehensive Income (Loss)

The table below presents the changes in accumulated other comprehensive income (loss) ("AOCI") by component and the reclassifications out of AOCI:

	Changes in Accumulated Other Comprehensive Income (Loss) by Component		
	Marketable Securities	Foreign Currency Translation	Total
	(in thousands)		
Balance as of December 31, 2025	$ 6,475	$ 20,217	$ 26,692
Other comprehensive loss before reclassifications	(19,932)	(6,496)	(26,428)
Amounts reclassified from AOCI [(1)]	345	—	345
Net current period other comprehensive loss	(19,587)	(6,496)	(26,083)
Balance as of September 30, 2026	$ (13,112)	$ 13,721	$ 609

(1) Realized gains and losses on marketable securities are reclassified from AOCI into other income (expense), net in our consolidated statements of operations.

14. Restructuring

In the second quarter of 2026, we announced a plan to reduce our global headcount by approximately 16% of our global full-time employees. For the three months ended September 30, 2026, there were no significant changes to total

restructuring charges. The following table summarizes the restructuring charges included in our consolidated statement of operations for the nine months ended September 30, 2026:

	Severance and Related Charges [1]	Stock-Based Compensation Expense	Other [2]	Total
		(in thousands)		
Cost of revenue	$ 7,576	$ 992	$ —	$ 8,568
Research and development	30,410	18,043	—	48,453
Sales and marketing	24,196	5,250	—	29,446
General and administrative	13,113	1,786	27,139	42,038
Total	$ 75,295	$ 26,071	$ 27,139	$ 128,505

(1) Severance and related charges include cash severance expenses and other termination benefits. The majority of cash paid for the restructuring was related to severance and benefits.

(2) Other primarily includes lease exit and related charges.

The liabilities related to the restructuring were immaterial as of September 30, 2026.

15. Segments and Geographic Information

Our CEO is our chief operating decision maker ("CODM"). Our CODM evaluates performance and makes operating decisions about allocating resources based on financial data presented on a consolidated basis, accompanied by information about revenue disaggregated by geographic region. Because our CODM evaluates financial performance on a consolidated basis, we have determined that we have a single operating segment composed of the consolidated financial results of Snap Inc.

The measure used by our CODM to assess performance and make operating decisions is net income (loss) as reported on our consolidated statements of operations. Net income (loss) is used by our CODM to identify underlying trends in the performance of our business and make comparisons with the financial performance of our competitors. Our CODM also reviews total assets, as reported on our consolidated balance sheets, and purchases of property and equipment, as reported on our consolidated statements of cash flows.

Our CODM also utilizes expense information in order to assess our financial performance. Infrastructure costs primarily consist of payments to third-party infrastructure partners for hosting our products, which include expenses related to storage, computing, and bandwidth. Content and developer partner costs primarily consist of fees paid to our content creators and publisher partners who share content on our platform through revenue sharing arrangements. Advertising partner and other costs primarily consist of payments to third-party partners for fulfillment services, transaction processing fees, and other expenses directly related to providing our services. Operating expenses include all remaining costs necessary to operate our business, which primarily include personnel expenses, facilities and related costs, promotional and marketing expenses, external professional services, and other administrative expenses. Operating expenses include charges recognized as research and development, selling and marketing, and general and administrative expenses within our consolidated statements of operations, but exclude stock-based compensation and related payroll and other tax expenses, depreciation and amortization, and restructuring charges, which are independently reviewed by our CODM.

The following table presents the significant segment expenses and other segment items regularly reviewed by our CODM:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenue	$ 1,722,471	$ 1,506,839	$ 4,850,255	$ 4,214,986
Less:				
Infrastructure costs	411,451	404,332	1,216,149	1,174,157
Content and developer partner costs	89,761	154,231	339,894	467,567
Advertising partner and other costs	145,393	112,245	408,723	315,805
Operating expenses	693,219	653,993	2,019,894	1,925,724
Stock-based compensation and related payroll and other tax expense	261,334	267,886	770,652	793,365
Depreciation and amortization	44,597	42,514	134,892	120,252
Other segment items [1]	20,218	(24,821)	156,464	(76,186)
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)

(1) Other segment items primarily include interest income; interest expense; other income (expense), net; and income tax expense as reported in our consolidated statements of operations. Other segment items also include restructuring charges of $128.5 million for the nine months ended September 30, 2026.

The following table represents our long-lived assets, which includes property and equipment, net and operating lease right-of-use assets, by geography:

	As of September 30, 2026	As of December 31, 2025
	(in thousands)	
United States	$ 717,277	$ 710,984
United Kingdom	256,209	245,911
Rest of world [1]	154,007	127,396
Total long-lived assets, net	$ 1,127,493	$ 1,084,291

(1) No individual country other than the United States and the United Kingdom exceeded 10% of our total long-lived assets for any period presented.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve significant risks and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to those differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in "Risk Factors," "Note Regarding Forward-Looking Statements," and "Note Regarding User Metrics and Other Data."

Overview of Third Quarter 2026 Results

Our key user metrics and financial results for the three months ended September 30, 2026 were as follows:

User Metrics

- Monthly Active Users, or MAUs, increased 4% year-over-year to 977 million.
- Daily Active Users, or DAUs, increased 4% year-over-year to 495 million.
- Average revenue per user, or ARPU, was $3.48, compared to $3.16 in the prior year.

Financial Results

- Revenue was $1,722.5 million, compared to $1,506.8 million in the prior year, an increase of 14% year-over-year.
- Total costs and expenses were $1,645.8 million, compared to $1,635.2 million in the prior year.
- Net income (loss) was $56.5 million, compared to $(103.5) million in the prior year.
- Adjusted EBITDA was $382.6 million, compared to $182.0 million in the prior year.
- Diluted net income (loss) per share was $0.03, compared to $(0.06) in the prior year.
- Cash provided by operating activities was $210.5 million, compared to $146.5 million in the prior year.
- Free Cash Flow was $164.5 million, compared to $93.4 million in the prior year.
- Common shares outstanding was 1,718 million as of September 30, 2026, compared to 1,711 million as of September 30, 2025.
- Total common shares outstanding plus shares underlying stock-based awards was 1,932 million as of September 30, 2026, compared to 1,861 million as of September 30, 2025.
- Cash, cash equivalents, and marketable securities were $2.8 billion as of September 30, 2026.

Business and Macroeconomic Conditions

We periodically make changes to our business and priorities. In recent years, our focus has been on three strategic priorities: growing our community and deepening their engagement with our products, accelerating and diversifying our revenue growth, and investing in the future of augmented reality, including our investments in SPECS AR glasses. We believe that we can be successful in our current operating environment, with various macroeconomic factors and geo-political events and conflicts impacting our business, by rigorously prioritizing our investments and continuing to engage our community with our products while driving success for our advertising partners. In connection with these efforts, we have undertaken restructuring initiatives to further align our cost structure and investments with our strategic priorities, which may continue to affect our operations and financial results.

Macroeconomic factors and geo-political events and conflicts such as labor shortages and disruptions, supply chain disruptions, inflation, changes in interest and foreign currency exchange rates, banking instability, tariffs and retaliatory countermeasures, war and other armed conflict, and other risks and uncertainties have in the past and may continue to cause logistical challenges, increased input costs, and inventory constraints for our advertisers, which in turn may cause our advertisers to halt or decrease advertising spending on our platform. Such macroeconomic factors and geo-political events and conflicts may also negatively impact, in the short-term or long-term, the global economy, advertising

ecosystem, our customers and their budgets with us, user engagement, other user metrics, and our business, financial condition, and results of operations.

In addition, competition for advertising dollars has increased and demand growth on our advertising platform has slowed. We expect to continue to experience increased competition, which may result in reduced advertising demand, and could adversely affect our revenue growth, pricing, business, financial condition, and results of operations. Demand has also been disrupted by recent changes we made to our advertising platform, and, in the future, we may continue to experience adverse impacts to our revenue growth as a result of these changes.

Our revenue, particularly in North America, has further been impacted by platform policy changes and restrictions that affected our targeting, measurement, and optimization capabilities, and in turn our ability to measure the effectiveness of advertisements on our services. This has resulted in, and in the future is likely to continue to result in, reduced advertising revenue, especially if we are unable to mitigate these developments.

We compete with other companies in every aspect of our business. We must compete effectively for users and advertisers to grow our business and increase our revenue. These and other risks and uncertainties are further described in the section titled “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Trends in User Metrics

We define MAU as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites at least once during the 30-day period ending on the calendar month-end. We calculate average MAUs for a particular quarter by calculating the average of the MAUs as of each calendar month-end in that quarter. We define a DAU as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites 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 ARPU as quarterly revenue divided by the average DAUs.

We assess the health of our business by measuring MAUs, DAUs, and ARPU because we believe that these metrics are important ways for both management and investors to understand engagement and monitor the performance of our platform. We also measure ARPU because we believe that this metric helps our management and investors to assess the extent to which we are monetizing our service. However, as our business and the way users engage with our platform evolve, we periodically review the metrics we use to evaluate our performance, including metrics broken out by geography, and may refine, change, or remove these metrics in the future in connection with changes to our products, our business, or how management believes we can best monitor engagement with and performance of our platform.

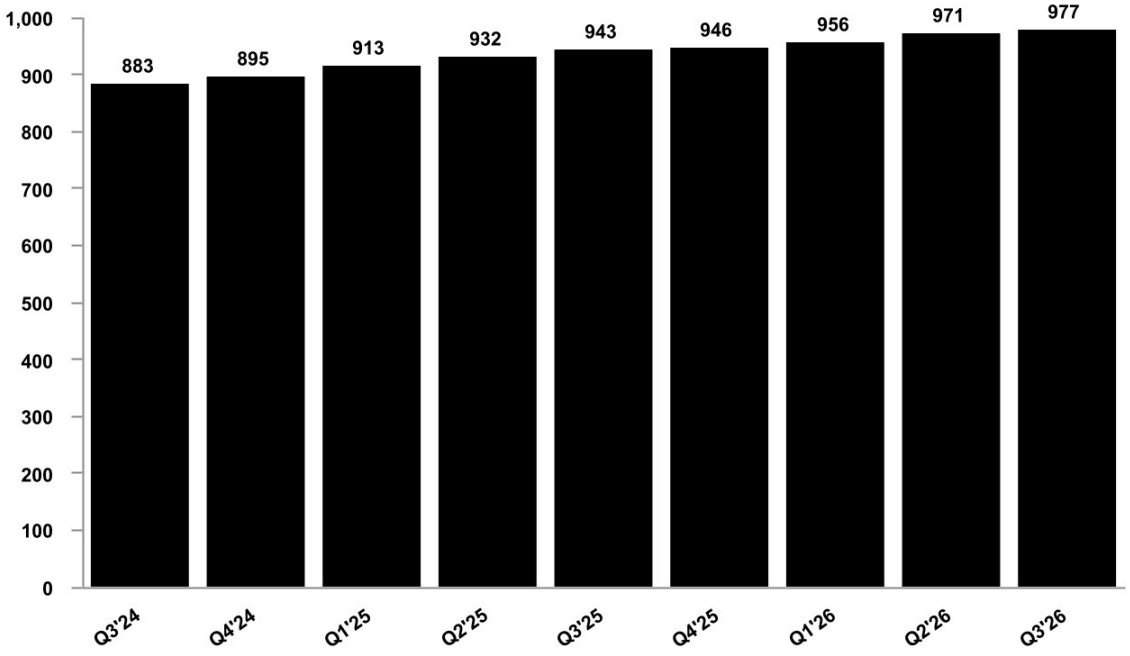
In the first quarter of 2027, among other changes to our user metrics, we plan to transition to global MAU as our primary audience metric. For a description of these changes, see the “Note Regarding User Metrics and Other Data” included elsewhere in this Quarterly Report on Form 10-Q.

User Engagement

We had 977 million MAUs on average in the third quarter of 2026, an increase of 34 million, or 4%, from the third quarter of 2025.

Quarterly Average Monthly Active Users
(in millions)

Global

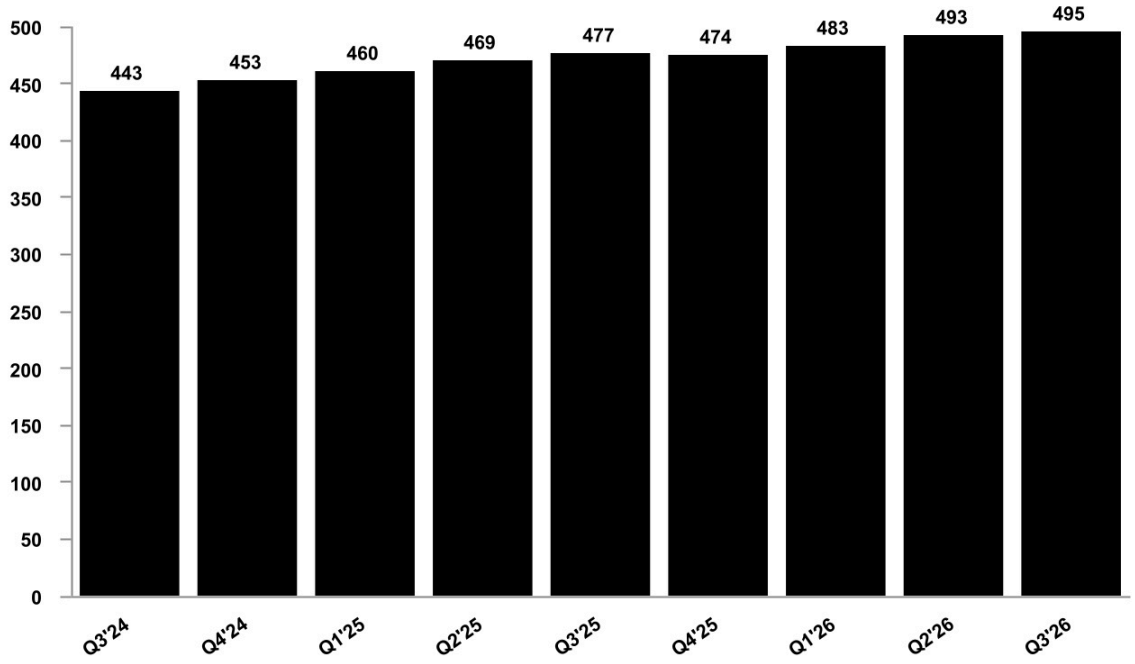


YoY growth:	7%	7%	7%	7%	7%	6%	5%	4%	4%

We had 495 million DAUs on average in the third quarter of 2026, an increase of 18 million, or 4%, from the third quarter of 2025.

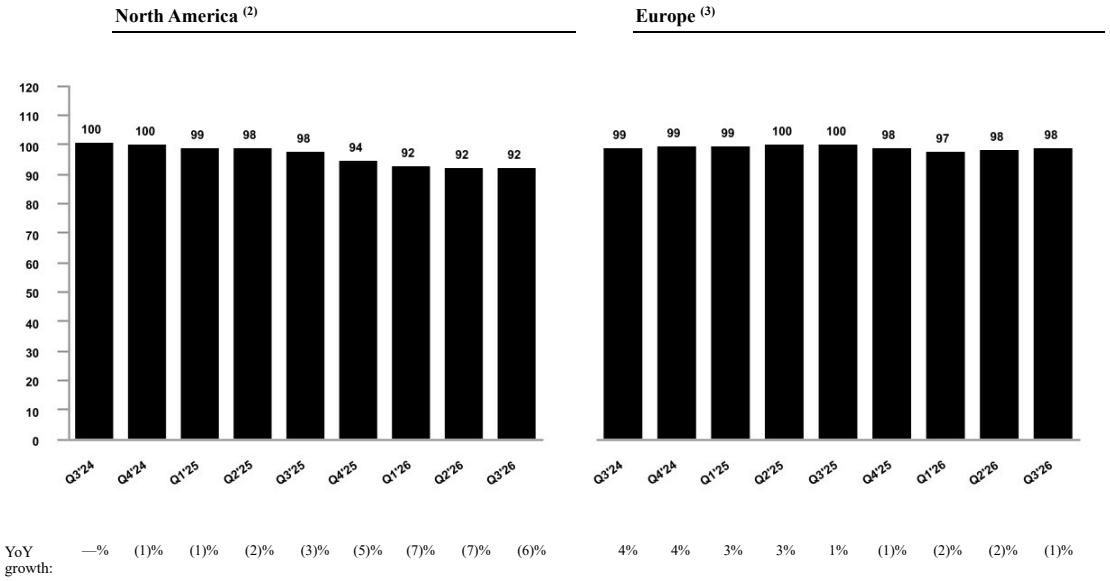
Quarterly Average Daily Active Users [1]
(in millions)

Global

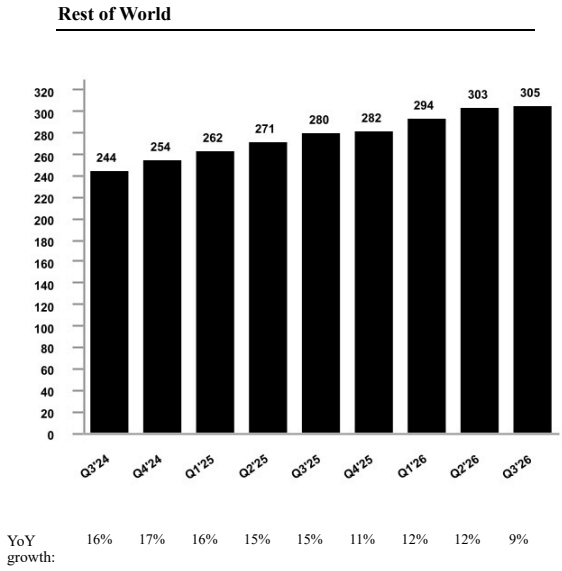


	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
YoY growth:	9%	9%	9%	9%	8%	5%	5%	5%	4%

(1) Numbers may not foot due to rounding.



(2) North America includes Mexico, the Caribbean, and Central America.
(3) Europe includes Russia and Turkey.



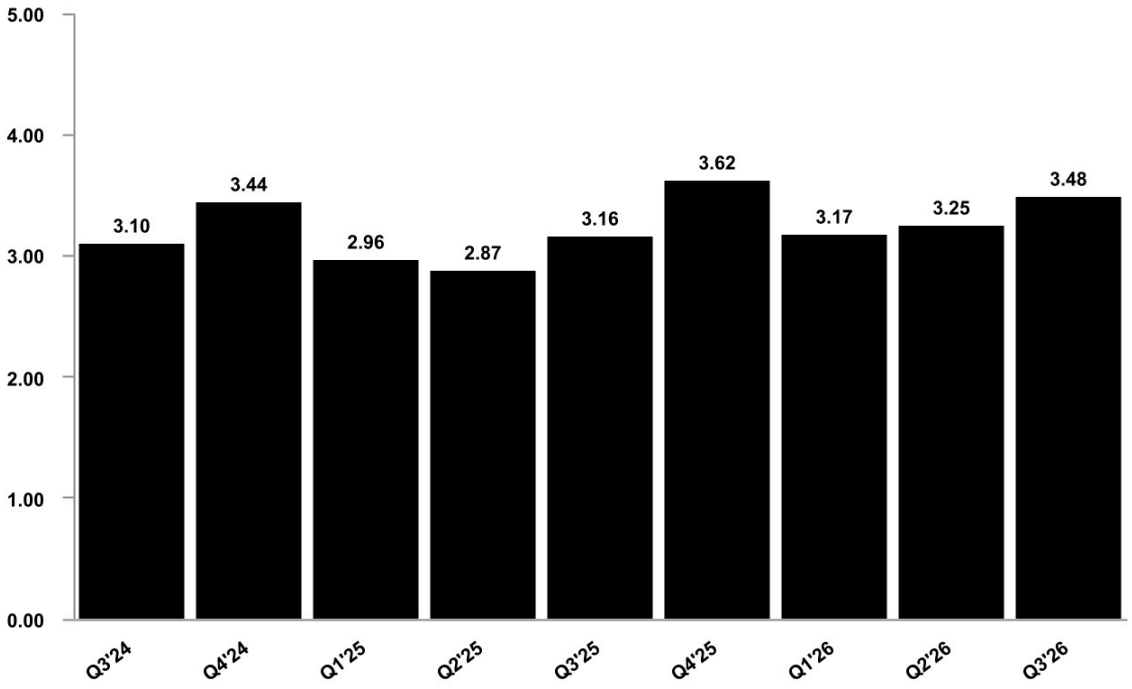
Monetization

We recorded revenue of $1,722.5 million for the three months ended September 30, 2026, compared to revenue of $1,506.8 million for the same period in 2025, an increase of 14% year-over-year. We monetize our business primarily through advertising and to a lesser extent through other revenue.

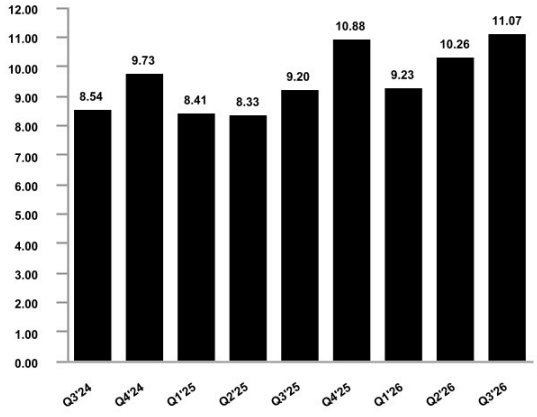
We measure our business using ARPU because it helps us understand the rate at which we are monetizing our daily user base. ARPU was $3.48 in the third quarter of 2026, compared to $3.16 in the third quarter of 2025. For purposes of calculating ARPU, we attribute revenue to regions based on our estimate of where revenue-generating activities occur, which is generally determined by the billing address of the customer. For advertising revenue, we allocate revenue based on the geographic location where advertising impressions are delivered, as this approximates revenue based on user activity. This differs from the presentation of our revenue by geography in the notes to our consolidated financial statements, where all revenue is based on the billing address of the customer.

Quarterly Average Revenue per User

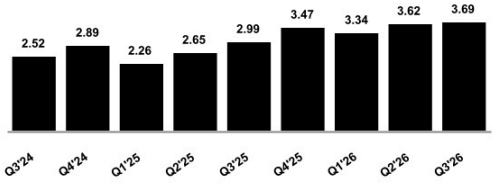
Global



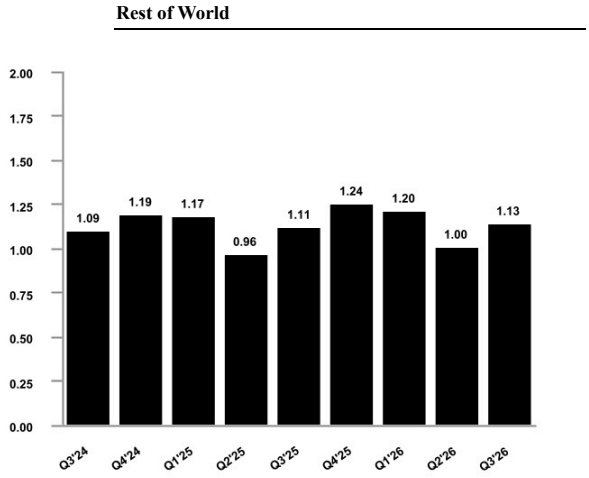
North America (1)



Europe (2)



(1) North America includes Mexico, the Caribbean, and Central America.
(2) Europe includes Turkey. Europe also includes Russia and Belarus; however, we maintain a policy prohibiting sales to entities in these countries.



Results of Operations

Components of Results of Operations

Revenue

We generate the substantial majority of our revenue through the sale of our advertising products on Snapchat, which include Snap Ads and AR Ads, referred to as advertising revenue. Snap Ads may be subject to revenue sharing arrangements between us and the content partner. Additionally, we generate revenue from subscriptions, such as Snapchat+, Lens+, and Snapchat Platinum, which provide subscribers access to exclusive, experimental, and pre-release features, as well as an ad-free experience for Snapchat Platinum subscribers. We generate revenue from Memories Storage Plans, which provide subscribers with the ability to purchase cloud storage. We also generate revenue from partnerships which allow leading companies to connect with our global community on Snapchat and through subscriptions and sales of physical products. Sales of physical products are reported net of allowances for returns.

Cost of Revenue

Cost of revenue includes payments for infrastructure, content and developer partner costs, and advertiser partner and other costs. Infrastructure costs primarily consist of payments to third-party infrastructure partners for hosting our products, which include expenses related to storage, computing, and bandwidth. Content and developer partner costs primarily consist of fees paid to our content creators and publisher partners who share content on our platform through revenue sharing arrangements. Under these arrangements, we pay a portion of the fees we receive from advertisers for Snap Ads that are displayed within partner content on Snapchat. Advertising partner and other costs primarily consist of payments to third-party partners for fulfillment services, transaction processing fees, and other expenses directly related to providing our services. Cost of revenue includes personnel-related costs, including salaries, benefits, and stock-based compensation expense for our employees engaged in the delivery of our services. Cost of revenue also includes facilities and other supporting overhead costs, including depreciation and amortization, and inventory costs.

Research and Development Expenses

Research and development expenses primarily consist of personnel-related costs, including salaries, benefits, and stock-based compensation expense for our engineers, designers, and other employees engaged in the research and development of our products. Research and development expenses also include facilities and other supporting overhead costs, including depreciation and amortization. Research and development costs are expensed as incurred.

Sales and Marketing Expenses

Sales and marketing expenses primarily consist of personnel-related costs, including salaries, benefits, commissions, and stock-based compensation expense for our employees engaged in sales and sales support, business development, media, marketing, corporate partnerships, and customer service functions. Sales and marketing expenses also include costs incurred for advertising, market research, tradeshows, branding, marketing, promotional expense, and public

relations, as well as costs incurred for marketing events, which are recognized when the event occurs. Sales and marketing expenses also include facilities and other supporting overhead costs, including depreciation and amortization.

General and Administrative Expenses

General and administrative expenses primarily consist of personnel-related costs, including salaries, benefits, and stock-based compensation expense for our finance, legal, information technology, human resources, and other administrative teams. General and administrative expenses also include facilities and supporting overhead costs, including depreciation and amortization, and external professional services.

Interest Income

Interest income primarily consists of interest earned on our cash, cash equivalents, and marketable securities.

Interest Expense

Interest expense primarily consists of interest expense associated with our notes and commitment fees related to our revolving credit facility.

Other Income (Expense), Net

Other income (expense), net primarily consists of gains and losses on debt extinguishments, and gains and losses on strategic investments, marketable securities, and foreign currency transactions.

Income Tax Benefit (Expense)

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective tax rates will vary depending on changes in the valuation of our deferred tax assets and liabilities, the relative proportion of foreign to domestic income, use of tax credits, and changes in tax laws.

Adjusted EBITDA

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; payroll and other tax expense related to stock-based compensation; and certain other items impacting net income (loss) from time to time. We consider the exclusion of these items in calculating Adjusted EBITDA to provide a useful measure for period-to-period comparisons of our business and for investors and others to evaluate our operating results in the same manner as does our management. See “Non-GAAP Financial Measures” for additional information and a reconciliation of net income (loss) to Adjusted EBITDA.

Discussion of Results of Operations

The following table sets forth our consolidated statements of operations data:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Consolidated Statements of Operations Data:				
Revenue	$ 1,722,471	$ 1,506,839	$ 4,850,255	$ 4,214,986
Costs and expenses [1] [2]:				
Cost of revenue	649,413	674,220	1,982,539	1,967,132
Research and development	477,678	453,418	1,498,066	1,320,908
Sales and marketing	298,036	256,215	835,446	772,025
General and administrative	220,628	251,348	702,658	736,805
Total costs and expenses	1,645,755	1,635,201	5,018,709	4,796,870
Operating income (loss)	76,716	(128,362)	(168,454)	(581,884)
Interest income	26,859	32,255	77,990	102,472
Interest expense	(37,290)	(34,494)	(110,987)	(85,500)
Other income (expense), net	(36)	27,570	20,452	75,816
Income (loss) before income taxes	66,249	(103,031)	(180,999)	(489,096)
Income tax expense	(9,751)	(510)	(15,414)	(16,602)
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Adjusted EBITDA [3]	$ 382,647	$ 182,038	$ 865,595	$ 331,733

(1) Stock-based compensation expense included in the above line items:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Stock-based compensation expense:				
Cost of revenue	$ 1,407	$ 2,327	$ 5,804	$ 5,417
Research and development	176,447	171,649	543,864	495,146
Sales and marketing	54,421	51,236	147,095	154,386
General and administrative	22,514	35,151	71,255	104,638
Total	$ 254,789	$ 260,363	$ 768,018	$ 759,587

(2) Depreciation and amortization expense included in the above line items:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Depreciation and amortization expense:				
Cost of revenue	$ 1,365	$ 1,016	$ 4,212	$ 3,941
Research and development	31,051	27,127	91,826	74,963
Sales and marketing	7,938	5,487	22,284	15,418
General and administrative	4,271	8,884	17,944	25,930
Total	$ 44,625	$ 42,514	$ 136,266	$ 120,252

(3) See "Non-GAAP Financial Measures" for more information and for a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP.

The following table sets forth the components of our consolidated statements of operations data for each of the periods presented as a percentage of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Consolidated Statements of Operations Data:				
Revenue	100 %	100 %	100 %	100 %
Costs and expenses:				
Cost of revenue	38	45	41	47
Research and development	28	30	31	31
Sales and marketing	17	17	17	18
General and administrative	13	17	14	18
Total costs and expenses	96	109	103	114
Operating income (loss)	4	(9)	(3)	(14)
Interest income	2	2	1	2
Interest expense	(2)	(2)	(2)	(2)
Other income (expense), net	—	2	—	2
Income (loss) before income taxes	4	(7)	(4)	(12)
Income tax expense	(1)	—	—	—
Net income (loss)	3 %	(7)%	(4)%	(12)%

Three and Nine Months Ended September 30, 2026 and 2025

Revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Revenue	$ 1,722,471	$ 1,506,839	$ 4,850,255	$ 4,214,986
Revenue as a dollar change		$ 215,632		$ 635,269
Revenue as a percentage change		14 %		15 %

Revenue for the three and nine months ended September 30, 2026 increased $215.6 million and $635.3 million, respectively, compared to the same periods in 2025. The increase was driven by a $55.7 million and $197.2 million increase in advertising revenue for the three and nine months ended September 30, 2026, respectively. The increase in advertising revenue in both periods is primarily due to higher advertiser spending across native surfaces such as Sponsored Snaps and Promoted Places, reflecting in part a shift in advertiser spending from other advertising surfaces. The increase in total revenue was also driven by a $160.0 million and $438.0 million increase in other revenue for the three and nine months ended September 30, 2026, respectively, which is due to higher subscription revenue from growth in the number of subscribers and the introduction of new subscription products.

Cost of Revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Cost of revenue	$ 649,413	$ 674,220	$ 1,982,539	$ 1,967,132
Cost of revenue as a dollar change		$ (24,807)		$ 15,407
Cost of revenue as a percentage change		(4)%		1 %

Cost of revenue for the three months ended September 30, 2026 decreased $24.8 million compared to the same period in 2025. The decrease was primarily driven by a $64.5 million decrease in content and developer partner costs as we shift to higher-margin advertising products such as Sponsored Snaps and Promoted Places, partially offset by a $33.1 million increase in advertising partner and other costs attributable to higher transaction processing fees due to growth in subscription revenue and a $7.1 million increase in infrastructure costs attributable to MAU growth of 4% compared to the prior year. Cost of revenue for the nine months ended September 30, 2026 increased $15.4 million compared to the same period in 2025. The increase was driven by a $92.9 million increase in advertising partner and other costs attributable to higher transaction processing fees due to growth in subscription revenue and a $42.0 million increase in infrastructure costs attributable to MAU growth, partially offset by a $127.7 million decrease in content and developer partner costs as we shift to higher-margin advertising products such as Sponsored Snaps and Promoted Places.

Research and Development Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Research and development expenses	$ 477,678	$ 453,418	$ 1,498,066	$ 1,320,908
Research and development expenses as a dollar change		$ 24,260		$ 177,158
Research and development expenses as a percentage change		5 %		13 %

Research and development expenses for the three and nine months ended September 30, 2026 increased $24.3 million and $177.2 million, respectively, compared to the same periods in 2025. The increase in both periods was primarily due to investments in product development. The increase for the nine months ended September 30, 2026 was also driven by restructuring charges of $48.5 million primarily recognized in the second quarter of 2026.

Sales and Marketing Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Sales and marketing expenses	$ 298,036	$ 256,215	$ 835,446	$ 772,025
Sales and marketing expenses as a dollar change		$ 41,821		$ 63,421
Sales and marketing expenses as a percentage change		16 %		8 %

Sales and marketing expenses for the three and nine months ended September 30, 2026 increased $41.8 million and $63.4 million, respectively, compared to the same periods in 2025. The increase in both periods was primarily driven by higher advertising and marketing event costs. The increase for the nine months ended September 30, 2026 was also driven by restructuring charges of $29.4 million primarily recognized in the second quarter of 2026.

General and Administrative Expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
General and administrative expenses	$ 220,628	$ 251,348	$ 702,658	$ 736,805
General and administrative expenses as a dollar change		$ (30,720)		$ (34,147)
General and administrative expenses as a percentage change		(12)%		(5)%

General and administrative expenses for the three and nine months ended September 30, 2026 decreased $30.7 million and $34.1 million, respectively, compared to the same periods in 2025. The decrease in both periods was primarily driven by lower employee compensation and stock-based compensation expenses due to reduced headcount compared to the prior year. The decrease for the nine months ended September 30, 2026 was partially offset by restructuring charges of $42.0 million primarily recognized in the second quarter of 2026.

Interest Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Interest income	$ 26,859	$ 32,255	$ 77,990	$ 102,472
Interest income as a dollar change		$ (5,396)		$ (24,482)
Interest income as a percentage change		(17)%		(24)%

Interest income for the three and nine months ended September 30, 2026 decreased $5.4 million and $24.5 million, respectively, compared to the same periods in 2025. The decrease in both periods was primarily driven by decreased investments in marketable debt securities and lower interest rates.

Interest Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Interest expense	$ (37,290)	$ (34,494)	$ (110,987)	$ (85,500)
Interest expense as a dollar change		$ (2,796)		$ (25,487)
Interest expense as a percentage change		8 %		30 %

Interest expense for the three and nine months ended September 30, 2026 increased $2.8 million and $25.5 million, respectively, compared to the same periods in 2025. The increase in both periods was primarily driven by additional interest expense on our 2034 Notes which were issued in August 2025 and which are discussed within Note 7 to our consolidated financial statements included elsewhere in this Quarterly Report.

Other Income (Expense), Net

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
	(NM = Not Meaningful)			
Other income (expense), net	$ (36)	$ 27,570	$ 20,452	$ 75,816
Other income (expense), net as a dollar change		$ (27,606)		$ (55,364)
Other income (expense), net as a percentage change		NM		(73)%

Other income (expense), net for the three and nine months ended September 30, 2026 consists of non-operating income as well as foreign currency remeasurement gains and losses.

Other income, net for the three months ended September 30, 2025 was primarily driven by a $29.8 million gain on extinguishment associated with the August 2025 Note Repurchases, which is discussed within Note 7 to our consolidated financial statements included elsewhere in this Quarterly Report. Other income, net for the nine months ended September 30, 2025 was primarily driven by a $96.7 million gain on extinguishment associated with the 2025 Note Repurchases, which is discussed within Note 7 to our consolidated financial statements included elsewhere in this Quarterly Report, partially offset by $12.2 million in net losses on strategic investments.

Income Tax Benefit (Expense)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
	(NM = Not Meaningful)			
Income tax expense	$ (9,751)	$ (510)	$ (15,414)	$ (16,602)
Income tax expense as a dollar change		$ (9,241)		$ 1,188
Income tax expense as a percentage change		NM		7 %
Effective tax rate	14.7 %	(0.5)%	(8.5)%	(3.4)%

Income tax expense for the three and nine months ended September 30, 2026 was $9.8 million and $15.4 million, respectively, compared to an income tax expense of $0.5 million and $16.6 million, respectively, for the same periods in 2025. Our effective tax rate differs from the U.S. statutory tax rate primarily due to valuation allowances on our deferred tax assets as it is more likely than not that some or all of our deferred tax assets will not be realized.

Net Income (Loss) and Adjusted EBITDA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Net income (loss) as a dollar change		$ 160,039		$ 309,285
Net income (loss) as a percentage change		155 %		61 %
Adjusted EBITDA	$ 382,647	$ 182,038	$ 865,595	$ 331,733
Adjusted EBITDA as a dollar change		$ 200,609		$ 533,862
Adjusted EBITDA as a percentage change		110 %		161 %

Net income for the three months ended September 30, 2026 was $56.5 million, compared to a net loss of $103.5 million for the same period in 2025. Net loss for the nine months ended September 30, 2026 was $196.4 million,

compared to $505.7 million for the same period in 2025. The fluctuation in net income (loss) was primarily the result of the changes in revenues and expenses discussed above.

Adjusted EBITDA for the three and nine months ended September 30, 2026 was $382.6 million and $865.6 million, respectively, compared to $182.0 million and $331.7 million, respectively, for the same periods in 2025. The increase for both periods was primarily attributable to increased revenue and lower general and administrative expenses, partially offset by higher research and development expenses and higher sales and marketing expenses.

For a discussion of the limitations associated with using Adjusted EBITDA rather than GAAP measures and a reconciliation of this measure to net income (loss), see "Non-GAAP Financial Measures."

Liquidity and Capital Resources

Capital Resources

Cash, cash equivalents, and marketable securities were $2.8 billion as of September 30, 2026, primarily consisting of cash on deposit with banks and highly liquid investments in U.S. government securities, money market funds, corporate debt securities, and publicly traded equity securities. Our primary source of liquidity is cash generated through operating cash flows as well as financing activities. Our primary uses of cash include operating costs such as personnel-related costs, the infrastructure costs of the Snapchat application, facility-related capital spending, and acquisitions and investments. There are no known material subsequent events that could have a material impact on our cash or liquidity, except as disclosed herein. We may contemplate and engage in merger and acquisition activity that could materially impact our liquidity and capital resource position.

As of September 30, 2026, approximately 11% of our cash, cash equivalents, and marketable securities was held by our foreign subsidiaries, primarily in the United Kingdom. Cash held by our foreign subsidiaries is utilized to fund our foreign operations and may be repatriated, subject to certain limitations. Upon repatriation, these funds would be available to fund our domestic operations, but repatriation may result in additional tax liabilities. We maintain substantially all of our cash, cash equivalents, and marketable securities in accounts with major United States and multi-national financial institutions. We believe our existing cash balance in the United States is sufficient to fund our working capital needs.

As of September 30, 2026, we had $1.05 billion under our revolving credit facility (the "Credit Facility"), of which $250.0 million expires in May 2027 and $800.0 million expires in February 2030. The interest rates for the Credit Facility are determined based on a formula using certain market rates, as described in Note 7 to our consolidated financial statements included elsewhere in this Quarterly Report. The Credit Facility also contains an annual commitment fee of 0.10% on the daily undrawn balance of the facility. As of September 30, 2026, we had $111.4 million in the form of outstanding standby letters of credit, with no amounts outstanding under the Credit Facility.

Material Cash Requirements

Debt

As of September 30, 2026, we had outstanding debt in the form of Senior Notes and Convertible Notes for an aggregate principal amount of $3.4 billion, which mature between 2027 and 2034. Short-term and long-term future interest payment obligations as of September 30, 2026 were $145.3 million and $824.5 million, respectively.

Under certain circumstances, holders of the outstanding Convertible Notes may convert all or a portion of their notes prior to the applicable maturity date. Upon conversion, the notes may be settled in cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock, at our election. As of September 30, 2026 the Convertible Notes will not be eligible for optional conversion during the fourth quarter of 2026. The outstanding balance of the 2026 Notes was repaid in accordance with its contractual terms.

For additional discussion on our debt, see Note 7 to our consolidated financial statements included elsewhere in this Quarterly Report.

Contractual Commitments

We have non-cancelable contractual agreements primarily related to the hosting of our data processing, storage, and other computing services, as well as lease, content and developer partner, and other commitments. We had $2.6 billion in commitments as of September 30, 2026, largely due within three years. For additional discussion on our leases, see Note 9 to our consolidated financial statements included elsewhere in this Quarterly Report.

Stock Repurchases

In November 2025 and February 2026, our board of directors authorized two stock repurchase programs for the repurchase of up to $500.0 million of our Class A common stock under each program. During the nine months ended September 30, 2026, we repurchased and retired a total of 98.5 million shares of our Class A common stock for $601.0 million, including costs associated with the repurchases. We completed the November 2025 program in January 2026, and the remaining availability under the February 2026 program as of September 30, 2026 was $150.0 million. Repurchases of Class A common stock from the remaining availability may be made from time to time and will be funded from existing cash and cash equivalents. Repurchases have been authorized through February 2027 but the program may be modified, suspended, or terminated at any time during the program.

Contingencies

We are involved in claims, lawsuits, tax matters, government investigations, and proceedings arising in the ordinary course of our business. We record a provision for a liability when we believe that it is both probable that a liability has been incurred and the amount can be reasonably estimated. We also disclose material contingencies when we believe that a loss is not probable but reasonably possible. Significant judgment is required to determine both probability and the estimated amount. Such claims, suits, and proceedings are inherently unpredictable and subject to significant uncertainties, some of which are beyond our control. Many of these legal and tax contingencies can take years to resolve. Should any of these estimates and assumptions change or prove to be incorrect, it could have a material impact on our results of operations, financial position, and cash flows. For additional discussion on our pending legal proceedings, see Note 8 to our consolidated financial statements included elsewhere in this Quarterly Report.

We believe our existing cash balance is sufficient to fund our ongoing working capital, investing, and financing requirements for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, headcount, sales and marketing activities, research and development efforts, the introduction of new features, products, and acquisitions, and continued user engagement. We continually evaluate opportunities to issue or repurchase equity or debt securities, obtain, retire, or restructure credit facilities or financing arrangements, or declare dividends for strategic reasons or to further strengthen our financial position.

Sources and Uses of Cash and Related Trends

The following table sets forth the major components of our consolidated statements of cash flows for the nine months ended September 30, 2026 and 2025:

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 713,477	$ 386,592
Net cash provided by (used in) investing activities	(68,847)	110,280
Net cash used in financing activities	(655,269)	(591,607)
Change in cash, cash equivalents, and restricted cash	$ (10,639)	$ (94,735)
Free Cash Flow [(1)]	$ 570,998	$ 231,633

(1) For information on how we define and calculate Free Cash Flow and a reconciliation of net cash provided by (used in) operating activities to Free Cash Flow, see “Non-GAAP Financial Measures.”

Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities was $713.5 million for the nine months ended September 30, 2026, compared to $386.6 million for the same period in 2025, resulting primarily from our net income (loss), adjusted for non-cash items, including stock-based compensation expense of $768.0 million, and depreciation and amortization expense of $136.3 million. Net cash provided by operating activities was also driven by a $92.7 million decrease in accounts receivable, primarily due to the timing of collections.

Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities was $(68.8) million for the nine months ended September 30, 2026, compared to net cash provided by investing activities of $110.3 million for the same period in 2025. Our investing activities for the nine months ended September 30, 2026 primarily consisted of purchases of marketable securities of $796.0 million and purchases of property and equipment of $142.5 million, partially offset by maturities of marketable securities of $638.3 million and sales of marketable securities of $303.8 million. Our investing activities for the nine months ended September 30, 2025 primarily consisted of maturities of marketable securities of $785.3 million and sales of marketable securities of $539.7 million, partially offset by purchases of marketable securities of $1,015.3 million and purchases of property and equipment of $155.0 million.

Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities was $655.3 million for the nine months ended September 30, 2026, compared to net cash used in financing activities of $591.6 million for the same period in 2025. Our financing activities for the nine months ended September 30, 2026 primarily consisted of repurchases of our Class A common stock for $601.0 million and the repayment of the 2026 Notes for $47.0 million. Our financing activities for the nine months ended September 30, 2025 primarily consisted of the 2025 Note Repurchases for $2.0 billion, repurchases of our Class A common stock for $500.6 million, deferred payments for acquisitions of $67.5 million, and the repayment of the 2025 Notes for $36.2 million, partially offset by the issuance of the 2033 Notes and 2034 Notes for net proceeds of $2.0 billion.

Free Cash Flow

Free Cash Flow was $571.0 million for the nine months ended September 30, 2026, compared to $231.6 million for the same period in 2025. Free Cash Flow in all periods was composed of net cash provided by operating activities, resulting primarily from net income (loss), adjusted for non-cash items and changes in working capital. Free Cash Flow also included purchases of property and equipment of $142.5 million for the nine months ended September 30, 2026, compared to $155.0 million for the same period in 2025. Purchases of property and equipment in all periods are primarily related to improvements to our leased facilities to support our team workspaces. See “Non-GAAP Financial Measures.”

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. 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.

We use the non-GAAP financial measure of Free Cash Flow, which is defined as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. We believe Free Cash Flow is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business and is a key financial indicator used by management. Additionally, we believe that Free Cash Flow is an important measure since we use third-party infrastructure partners to host our services and therefore we do not incur significant capital expenditures to support revenue generating activities. Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

We use the non-GAAP financial measure of Adjusted EBITDA, which is defined as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other items impacting net income (loss) from time to time. We believe that Adjusted EBITDA helps identify

underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in Adjusted EBITDA.

We believe that both Free Cash Flow and Adjusted EBITDA provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to key metrics used by our management for financial and operational decision-making. We are presenting the non-GAAP measures of Free Cash Flow and Adjusted EBITDA to assist investors in seeing our financial performance through the eyes of management, and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

These non-GAAP financial measures should not be considered in isolation from, or as substitutes for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures compared to the closest comparable GAAP measure. Some of these limitations are that:

- Free Cash Flow does not reflect our future contractual commitments;
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets and amortization of acquired intangible assets and, although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future;
- Adjusted EBITDA excludes stock-based compensation expense and payroll and other tax expense related to stock-based compensation, which have been, and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes income tax benefit (expense).

The following table presents a reconciliation of Free Cash Flow to net cash provided by (used in) operating activities, the most comparable GAAP financial measure, for each of the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Free Cash Flow reconciliation:				
Net cash provided by operating activities	$ 210,484	$ 146,488	$ 713,477	$ 386,592
Less:				
Purchases of property and equipment	(46,031)	(53,044)	(142,479)	(154,959)
Free Cash Flow	$ 164,453	$ 93,444	$ 570,998	$ 231,633

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most comparable GAAP financial measure, for each of the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Adjusted EBITDA reconciliation:				
Net income (loss)	$ 56,498	$ (103,541)	$ (196,413)	$ (505,698)
Add (deduct):				
Interest income	(26,859)	(32,255)	(77,990)	(102,472)
Interest expense	37,290	34,494	110,987	85,500
Other (income) expense, net	36	(27,570)	(20,452)	(75,816)
Income tax expense	9,751	510	15,414	16,602
Depreciation and amortization [(1)]	44,597	42,514	134,892	120,252
Stock-based compensation expense [(1)]	255,227	260,363	741,947	759,587
Payroll and other tax expense related to stock-based compensation	6,107	7,523	28,705	33,778
Restructuring charges [(2)]	—	—	128,505	—
Adjusted EBITDA	$ 382,647	$ 182,038	$ 865,595	$ 331,733

(1) Stock-based compensation expense and depreciation and amortization expense may not agree to reported GAAP amounts due to restructuring charges.
(2) Restructuring charges primarily include cash severance, stock-based compensation expense, depreciation expense and other charges associated with the restructuring. These charges are not reflective of underlying trends in our business. Refer to Note 14 in our consolidated financial statements.

Critical Accounting Policies and Estimates

We prepare our financial statements in accordance with GAAP. Preparing these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

The critical accounting policies, estimates, assumptions, and judgments that we believe to have the most significant impact on our consolidated financial statements are revenue recognition, valuation of assets, loss contingencies, and income taxes.

There have been no material changes to our critical accounting policies and estimates as described in our Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate risk, foreign currency risk and investment valuation and liquidation risk as follows:

Interest Rate Risk

We had cash and cash equivalents totaling $1.0 billion and $1.0 billion as of September 30, 2026 and December 31, 2025, respectively. We had marketable securities totaling $1.8 billion and $1.9 billion as of September 30, 2026 and December 31, 2025, respectively. Our cash and cash equivalents primarily consist of cash in bank accounts and money market funds, and our marketable securities generally consist of U.S. government debt securities, publicly traded equity securities, and corporate debt securities. The primary objectives of our investment activities are to preserve principal and provide liquidity without significantly increasing risk. We do not enter into investments for trading or speculative purposes. Due to the relatively short-term nature of our investment portfolio, changes in interest rates do not have a

material effect on the fair value of our portfolio. A hypothetical 100 basis point increase in interest rates would result in a $16.6 million and $18.2 million decrease in the market value of our cash equivalents and marketable securities as of September 30, 2026 and December 31, 2025, respectively.

As of September 30, 2026 and December 31, 2025, we had aggregate principal amounts of debt outstanding of $3.4 billion and $3.5 billion, respectively. Since the Notes bear interest at fixed rates and are carried at amortized cost, fluctuations in interest rates do not have any impact on our consolidated financial statements. However, the fair value of the Notes will fluctuate with movements in market interest rates, and in the case of the Convertible Notes, with movements of our stock's market price.

Foreign Currency Risk

For all periods presented, our revenue and operating expenses were predominately denominated in U.S. dollars. We therefore have not had material foreign currency risk associated with revenue and cost-based activities. However, due to fluctuations in exchange rates, we have experienced, and may in the future experience, negative impacts to our revenue and operating expenses denominated in currencies other than the U.S. dollar. The functional currency of our material operating entities is the U.S. dollar.

For the periods presented, we believe the exposure to foreign currency fluctuation from revenue and operating expenses is immaterial as the related revenue or costs do not constitute a significant portion of their respective totals. As we grow operations, our exposure to foreign currency risk will likely become more significant.

For the periods presented, we did not enter into any forward foreign currency exchange contracts. We may, however, enter into forward foreign currency exchange contracts for purposes of hedging foreign exchange rate fluctuations on our business operations in future operating periods as our exposures are deemed to be material. For additional discussion on foreign currency risk, see "Risk Factors" elsewhere in this Quarterly Report on Form 10-Q.

Investment Valuation and Liquidation Risk

We hold equity securities in privately held companies, which expose us to valuation and liquidation risks that could have a material impact on the carrying value of our holdings.

Our strategic investments in privately held companies primarily consist of equity securities without readily determinable fair values. We adjust the carrying value of these securities to fair value upon observable transactions for identical or similar investments of the same issuer or upon impairment. The fair value derived from an observable transaction is based on information available at that time and may not be indicative of the fair value at the balance sheet date. These investments, particularly those in early-stage companies, are inherently risky because their technologies or products may not progress to commercialization, and the companies may experience financial or operational difficulties, either of which could result in the loss of a substantial portion of our investment. The value ultimately realized on these investments is also subject to the occurrence and timing of liquidity events, such as public offerings, acquisitions, private sales, or other market transactions. Our total strategic investments had carrying values of $183.9 million and $183.7 million as of September 30, 2026 and December 31, 2025, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Quarterly Report on Form 10-Q was (a) reported within the time periods specified by SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding any required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For a description of our material legal proceedings, see Note 8 "Commitments and Contingencies," in the Notes to Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described below, together with all the other information in this Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes. If any of the following risks actually occurs (or if any of those discussed elsewhere in this Quarterly Report on Form 10-Q occurs), our business, reputation, financial condition, results of operations, revenue, and future prospects could be seriously harmed. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. Unless otherwise indicated, references to our business being seriously harmed in these risk factors will include harm to our business, reputation, financial condition, results of operations, revenue, and future prospects. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risk Factor Summary

Our business is subject to significant risks and uncertainties that make an investment in us speculative and risky. Below we summarize what we believe are the principal risk factors but these risks are not the only ones we face, and you should carefully review and consider the full discussion of our risk factors in the section titled "Risk Factors," together with the other information in this Quarterly Report on Form 10-Q.

1. Our Strategy and Advertising Business

We operate in a highly competitive and rapidly changing environment so we must continually innovate our products and evolve our business model for us to succeed.

We emphasize rapid innovation and prioritize long-term user engagement over short-term financial conditions or results if we believe that it will benefit the aggregate user experience and improve our financial performance over the long term. Although we have achieved profitability in certain periods, we have a history of operating losses and, as a result of our long-term focus, we may prioritize investments and expenses we believe are necessary for our long-term growth over achieving short-term profitability. Investments in our future, including through new products or acquisitions, are inherently risky and may not pay off, which would adversely affect our ability to settle the principal and interest payments on our outstanding senior notes and outstanding convertible senior notes, or collectively, the Notes, or other indebtedness when due, and further delay or hinder our ability to sustain profitability. This in turn would hinder our ability to secure additional financing to meet our current and future financial needs on favorable terms, or at all.

We generate the substantial majority of our revenue from advertising. Our advertising business is most effective when our advertisers succeed. Driving their success requires continual investment in our advertising products and may be hindered by competitive challenges and various legal, regulatory, and operating system changes that make it more difficult for us to achieve and demonstrate a meaningful return for our advertisers. For example, on-going changes to privacy and data protection laws and mobile operating systems continue to present issues for us in measuring the effectiveness of advertisements on our services. Additionally, individuals are becoming increasingly resistant to the processing of personal data to deliver behavioral, interest-based, or targeted advertisements, and regulators are likewise scrutinizing such data processing activities, which could reduce the demand for our products and services and threaten our primary revenue stream. Alternative methods, to the extent we can develop such methods in compliance with current or future privacy and data protection laws, mobile operating system requirements, and other requirements, may take time to develop and be adopted by our advertisers and users, and may not be as effective as prior methods.

We believe that this impact on our targeting, measurement, and optimization capabilities has negatively affected and may continue to negatively affect our operating results. In addition, our advertising business is seasonal, volatile, and cyclical, which could result in fluctuations in our quarterly revenues and operating results, including business prospect expectations.

Our business and operations have been, and in the future could be, adversely affected by events beyond our control, such as health epidemics and geo-political events and conflicts. In addition, macroeconomic factors like labor shortages and disruptions, supply chain disruptions, banking instability, tariffs and retaliatory countermeasures, inflation, and fluctuating interest and foreign currency exchange rates, and recession risks, have in the past and may continue to cause logistical challenges, increased input costs, and inventory constraints for our advertisers, which in turn may also halt or decrease advertising spending, and harm our business.

2. Our Community and Competition

We need to continually innovate and create new products, and enhance our existing products, to attract, retain, and grow our global community. Products that we create may fail to attract or retain users or partners, or to generate meaningful revenue, if any. While we believe that these decisions will benefit the aggregate user experience or improve our financial performance over the long term, these changes may cause friction by our users, advertisers, or partners, resulting in disruptions or declines in our key metrics, such as Daily Active Users, Monthly Active Users, user activity, or financial performance. In addition, we have in the past expanded and expect to continue to expand organically and through acquisitions, including in international markets, which we may not be able to effectively manage or scale. If our community does not see the value in our products or brand, or if competitors offer better alternatives, our community could easily switch to other services. Although we have experienced significant growth in our community over the last few years, we have also experienced declines and there can be no assurance that declines won't happen again. Many of our competitors have significantly more resources and larger market shares than we do, which gives them advantages over us that can make it more difficult for us to succeed.

3. Our Partners

We primarily rely on Google, Apple, and Amazon to provide their mobile operating systems and other services for our applications and other core services, including our platform. If these partners do not provide their services as we expect, terminate their services, or change the terms, or their interpretation of the terms, of our agreements, or change the functionality of their mobile operating systems in ways that are adverse to us, our service may be interrupted and our product experience could be degraded, which may harm our reputation, increase our costs, or make it harder for us to attain and sustain profitability. Many other parts of our business depend on partners, including content partners and advertising partners, so our success depends on our ability to attract and retain these partners.

4. Our Technology and Regulation

Our business is complex and success depends on our ability to rapidly innovate, the interoperability of our service on many different smartphones and mobile operating systems, and our ability to safeguard sensitive user data. Because our systems and our products are constantly changing, we are susceptible to data breaches, cyberattacks, security incidents, bugs, and other vulnerabilities and errors in how our products work and are measured. We may also fail to maintain effective processes that report our metrics or financial results. Given the complexity of the systems involved and the rapidly changing nature of mobile devices and operating systems, we expect to encounter issues, particularly if we continue to expand in parts of the world where mobile data systems and connections are less stable.

We are also subject to complex and evolving federal, state, local, and foreign laws and regulations regarding privacy, data protection, biometric processing, content regulation, artificial intelligence, or AI, protections for minors, taxes, and other matters, which are subject to change and have uncertain interpretations. Given the nature of our business, we are particularly susceptible to changes in such laws regarding privacy and data protection, which may require us to change our products and may impact our revenue stream. Any actual or perceived failure to comply with such legal and regulatory obligations, including in connection with our consent decree with the U.S. Federal Trade Commission, or FTC, may lead to costly litigation or otherwise adversely impact our business.

We also must actively protect our intellectual property. We are subject to various legal proceedings, claims, class actions, inquiries, and investigations related to our intellectual property, which may be costly or distract management. We also rely on a variety of statutory and common-law frameworks for the content we provide our users, including the Digital Millennium Copyright Act, the Communications Decency Act, and the fair-use doctrine, each of which has been subject to adverse judicial, political, and regulatory scrutiny in recent times.

5. Our Team and Capital Structure

We need to attract and retain a high caliber team to maintain our competitive position. We may incur significant costs and expenses in maintaining and growing our team, and may lose valuable members of our team as we compete globally, including with our competitors, for key talent. We have and will incur significant costs and expenses in connection with our headcount reduction and reorganization plans announced in April 2026, and such actions may negatively impact our ability to attract and retain a high caliber team. A substantial portion of our employment costs is paid in our common stock, the price of which has been volatile, and our ability to attract and retain talent may be adversely affected if our shares decline in value.

Our two co-founders, who serve as our Chief Executive Officer and Chief Technology Officer, control over 99% of the voting power of our outstanding capital stock, which means they control substantially all outcomes submitted to stockholders. Class A common stockholders have no voting rights, unless required by Delaware law. This concentrated control may result in our co-founders voting their shares in their best interest, which might not always be in the interest of our stockholders generally.

Risk Factors

Risks Related to Our Business and Industry

Our ecosystem of users, advertisers, and partners depends on the engagement of our user base. Our user base growth rate has declined in the past and it may do so again in the future. If we fail to retain current users or add new users, or if our users engage less with Snapchat, our business would be seriously harmed.

We had 495 million Daily Active Users, or DAUs, and 977 million Monthly Active Users, or MAU, on average in the quarter ended September 30, 2026. Our historical focus has been on DAUs, which we continue to view as a significant measure of our user engagement. However, we believe that adding, maintaining, and engaging MAUs will be essential to our future growth. Accordingly, beginning in the first quarter of 2027, we plan to transition to global MAU as or primary audience metric. Our DAUs and DAU growth rate have declined in the past and they may decline in the future due to various factors, including as the size of our active user base increases, as we achieve higher market penetration rates, as we face continued competition for our users and their time, or if there are performance issues with our service.

As our business and the ways in which users engage with our platform evolve, we may change or supplement the user metrics we use to evaluate our performance. These changes may include changes to the definitions or calculation methods for DAUs or MAUs, the measurement period, the Snapchat-branded surfaces included in the metrics, or the methodology used to attribute users to geographic regions. In connection with our planned transition to global MAU as our primary audience metric beginning with the first quarter of 2027, these changes may cause our reported metrics, growth rates, and regional trends to differ from previously reported amounts and may make period-over-period comparisons more difficult.

If we report both existing and revised user metrics during a transition period, investors, advertisers, and other stakeholders may interpret the metrics differently or reach different conclusions about our operating performance. If we modify or discontinue regional user metrics, analysts may also rely on third-party or other indirect estimates that may not be comparable to our reported metrics, which could make it more difficult to evaluate regional engagement and monetization.

If MAU is measured based on user activity during only the final 30 days of a quarter, that measurement period may not capture user engagement throughout the full quarter. Service outages, connectivity issues, product launches, holidays, seasonality, or other unusual events during that period could cause reported MAU to be unrepresentative of underlying engagement and make period-over-period comparisons more difficult.

In addition, as we achieve maximum market penetration rates among younger users in developed markets, future growth in DAUs and MAUs will need to come from older users in those markets or from developing markets, which may not be possible or may be more difficult, expensive, or time-consuming for us to achieve. While we may experience periods when our DAUs and MAUs increase due to products and services with short-term popularity, we may not always be able to attract new users, retain existing users, or maintain or increase the frequency and duration of their engagement if current or potential new users do not perceive our products to be fun, engaging, or useful. In addition, because our products typically require high bandwidth data capabilities for users to benefit from all of the features and capabilities of our products, many of our users live in countries with high-end mobile device penetration and high bandwidth capacity cellular networks with large coverage areas. We therefore do not expect to experience rapid user growth or engagement in regions with either low smartphone penetration or a lack of well-established and high bandwidth capacity cellular networks. If our DAU and/or MAU growth rates continue to slow, become stagnant, or decline, our financial performance will increasingly depend on our ability to elevate user activity or increase the monetization of our users.

Snapchat is free and easy to join, the barrier to entry for new entrants in our business is low, and the switching costs to another platform are also low. Moreover, the majority of our users are 18-34 years old. This demographic may be less brand loyal and more likely to follow trends, including viral trends, than other demographics. These factors may lead users to switch to another product, which would negatively affect our user retention, growth, and engagement. Snapchat

also may not be able to penetrate other demographics in a meaningful manner. Falling user retention, growth, or engagement could make Snapchat less attractive to advertisers and partners, which may seriously harm our business. In addition, we continue to compete with other companies to attract and retain our users' attention. There are many factors that could negatively affect user retention, growth, and engagement, including if:

- users engage more with competing products instead of ours;
- our competitors continue to mimic our products or improve on them;
- we fail to introduce new and exciting products and services or those we introduce or modify are poorly received;
- our products fail to operate effectively or compatibly on the iOS or Android mobile operating systems;
- we are unable to continue to develop products that work with a variety of mobile operating systems, networks, and smartphones;
- we do not provide a compelling user experience because of the decisions we make regarding the type and frequency of advertisements that we display or the structure and design of our products;
- we are unable to combat bad actors, spam, or other hostile or inappropriate usage on our products;
- there are changes in user sentiment about the quality or usefulness of our products in the short-term, long-term, or both;
- there are concerns about the privacy implications, safety, or security of our products and our processing of personal data;
- our content partners do not create content that is engaging, useful, or relevant to users;
- our content partners decide not to renew agreements or devote the resources to create engaging content, or do not provide content exclusively to us;
- advertisers and partners display ads that are untrue, offensive, or otherwise fail to follow our guidelines;
- our products are subject to increased regulatory scrutiny or approvals, including from foreign privacy regulators, or there are changes in our products that are mandated or prompted by legislation, regulatory authorities, executive actions, or litigation, including settlements or consent decrees, that adversely affect the user experience;
- technical or other problems frustrate the user experience or negatively impact users' trust in our service, including by providers that host our platforms, particularly if those problems prevent us from delivering our product experience in a fast and reliable manner, or cyberattacks, breaches, or other security incidents that compromise our sensitive user data;
- we fail to provide adequate service to users, advertisers, or partners;
- we do not provide a compelling user experience to entice users to use the Snapchat application on a daily basis, or our users don't have the ability to make new friends to maximize the user experience;
- we, our partners, or other companies in our industry segment are the subject of adverse media reports or other negative publicity, some of which may be inaccurate or include confidential information that we are unable to correct or retract;
- we do not maintain our brand image or our reputation is damaged; or
- our current or future products reduce user activity on Snapchat by making it easier for our users to interact directly with our partners.

Any decrease to user retention, growth, or engagement could render our products less attractive to users, advertisers, or partners, and would seriously harm our business.

We generate a substantial majority of our revenue from advertising. The failure to attract new advertisers, the loss of advertisers, or a reduction in how much they spend could seriously harm our business.

A substantial majority of our revenue is generated from third parties advertising on Snapchat. For the years ended December 31, 2025, 2024, and 2023, advertising revenue accounted for approximately 87%, 91%, and 96% of our total revenue, respectively. Even though we have introduced and increased the revenue from other revenue streams, including subscription models, we expect advertising revenue to account for a substantial majority of our revenue in the foreseeable

future. Most advertisers do not have long-term advertising commitments with us, and our efforts to establish long-term commitments may not succeed.

Our advertising customers range from small businesses to well-known brands, including advertising resellers. Many of our customers spend a relatively small portion of their overall advertising budget with us, but some customers have devoted meaningful budgets that contribute more significantly to our total revenue. In addition, advertisers may view some of our advertising solutions as experimental and unproven, or prefer certain of our products over others. Advertisers, including our customers who have devoted meaningful advertising budgets to our product, will not continue to do business with us if we do not deliver advertisements in an effective manner, or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives. As our business continues to develop, there may be new or existing customers, including from different geographic regions, that contribute more significantly to our total revenue, and a loss of such customers or a significant reduction in how much they spend with us could adversely impact our business. Any economic or political instability, whether as a result of the macroeconomic climate or the implementation of tariffs and retaliatory countermeasures by the United States or other governments, war or other armed conflict, terrorism, or otherwise, in a specific country or region, may negatively impact the global or local economy, advertising ecosystem, our customers and their budgets with us, or our ability to forecast our advertising revenue, and could seriously harm our business.

Moreover, we rely heavily on our ability to collect, process, and disclose data and metrics to our customers so we can attract new customers and retain existing customers. Our ability to do so depends in part on our access to conversion and purchase signals from third-party websites, applications, commerce platforms, advertisers, agencies, and other third parties that we do not control. Any restriction, change, or discontinuation of access to such signals could impair our ability to target and optimize advertisements, measure and attribute conversions, and demonstrate the effectiveness of our advertising products. Any restriction, requirement, or other limitation whether by law, court order or judgment, settlement, enforcement action or remedy, regulation, policy, or other reason, on our ability to collect, process, and disclose data and metrics that our customers find useful or any decision by us to do so only after obtaining affirmative, express, or opt-in consent, would impede our ability to attract and retain advertisers. Regulators in many countries in which we operate or have users are increasingly scrutinizing and regulating the collection, use, and sharing of data, including personal data related to advertising, which could materially impact our revenue and seriously harm our business. Courts, regulators, or other authorities may also issue orders, judgments, settlements, or other enforcement actions or remedies that require us to modify, limit, suspend, or cease certain data-processing or advertising practices. We may also voluntarily adopt or implement similar changes, including making certain advertising practices opt-in or offering users a paid, ad-free, or materially less personalized alternative to our advertising supported service, in response to actual or anticipated regulatory scrutiny, industry developments, advertiser or user expectations, or reputational considerations, even if such changes are not legally required which may impact the performance of our advertising service. Many of these laws, regulations, and policies expand the rights of individuals to control how their personal data is collected and processed, and place restrictions on the use of personal data of teens. The processing of personal data for personalized advertising continues to be under increased scrutiny from regulators, which includes ongoing regulatory action against large technology companies like ours, the outcomes of which may be uncertain and subject to appeal. These laws, regulations, and policies may prohibit us and our customers from advertising to teens, including based on the profiling of personal data. Other legislative proposals and present laws, regulations, and policies currently, and may in the future, apply to our or our advertisers' activities and require significant operational changes to our business. These laws, regulations, and policies could have a material impact on the development and deployment of AI and machine learning in the context of our targeted advertising activities. Other laws, regulations, policies, court orders or judgments, settlements, enforcement action or remedies to which we are or may become subject further regulate contextual, behavioral, interest-based, or targeted advertising, making certain online advertising activities more difficult and subject to additional scrutiny. These laws, regulations, policies, court orders or judgments, settlements, enforcement action or remedies may grant users the right to opt-out of sharing of their personal data for certain advertising purposes, or require us to obtain affirmative, express, or opt-in consent before collecting, processing, combining, or using personal data for certain advertising purposes, or require parental consent to be obtained for the processing of personal data of users under a certain age and restrict tracking and use of teens' data, including for advertising. Regulators and courts have issued significant monetary fines in certain circumstances where the regulators or other parties alleged that appropriate consent was not obtained in connection with targeted advertising activities. In addition, legislative proposals and current laws and regulations in countries where we operate regulate the use of cookies and other tracking technologies, electronic communications, and marketing.

Furthermore, in April 2021, Apple issued an iOS update that imposed heightened restrictions on our access and use of user data by allowing users to more easily opt-out of tracking of activity across devices. Additionally, Google has in the past implemented privacy controls on its Android devices and may in the future make changes to those privacy controls

similar to Apple's prior iOS update. The changes implemented by Apple have had, and similar changes, if implemented by Google or major web browsers, like Firefox, Safari, and Chrome, would have an adverse effect on our targeting, measurement, and optimization capabilities, and in turn our ability to target advertisements and measure the effectiveness of advertisements on our services. This has resulted in, and in the future is likely to continue to result in, reduced demand and pricing for our advertising products and could seriously harm our business. The longer-term impact of these changes on the overall mobile advertising ecosystem, our competitors, our business, and the developers, partners, and advertisers within our community remains uncertain, and depending on how we, our competitors, and the overall mobile advertising ecosystem adjusts, and how our partners, advertisers, and users respond, our business could be seriously harmed. Any alternative solutions we implement are subject to rules and standards set by the owners of such mobile operating systems which may be unclear, change, or be interpreted in a manner adverse to us and require us to halt or change our solutions, any of which could seriously harm our business. In addition, if we are unable to mitigate or respond to these and future developments, and alternative solutions do not become widely adopted by our advertisers, then our targeting, measurement, and optimization capabilities will be materially and adversely affected, which would in turn continue to negatively impact our advertising revenue. Our advertising revenue has in the past and could also be seriously harmed by many other factors, including:

- diminished or stagnant growth, or a decline, in the total number of DAUs and/or MAUs on Snapchat;
- our inability to deliver advertisements to all of our users due to legal restrictions or hardware, software, or network limitations;
- a decrease in the amount of time spent on Snapchat, a decrease in the amount of content that our users share, or decreases in usage of our Camera, Visual Messaging, Snap Map, Stories, and Spotlight platforms;
- our inability to create new products that sustain or increase the value of our advertisements;
- changes in our user demographics that make us less attractive to advertisers;
- lack of ad creative availability by our advertising partners;
- a decline in our available content, including if our content partners do not renew agreements, devote the resources to create engaging content, or provide content exclusively to us;
- decreases in the perceived quantity, quality, usefulness, or relevance of the content provided by us, our community, or partners;
- decreases in user response rate to application notifications received from Snapchat, whether due to decreased user appreciation for notifications generally or changes in the manner notifications are delivered by mobile operating systems, which may decrease user engagement;
- increases in resistance by users to our collecting, using, and sharing their personal data for advertising-related purposes;
- changes in our analytics and measurement solutions, including what we are permitted to collect and disclose under the terms of Apple's and Google's mobile operating systems, that demonstrate the value of our advertisements and other commercial content;
- competitive developments or advertiser perception of the value of our products that change the rates we can charge for advertising or the volume of advertising on Snapchat;
- product changes or advertising inventory management decisions we may make that change the type, size, frequency, or effectiveness of advertisements displayed on Snapchat or the method used by advertisers to purchase advertisements;
- adverse legal developments relating to advertising, including changes mandated or prompted by legislation, regulation, executive actions, or litigation regarding the collection, use, and sharing of personal data for certain advertising-related purposes;
- adverse media reports or other negative publicity involving us, our founders, our partners, or other companies in our industry;
- advertiser or user perception that content published by us, our users, or our partners is objectionable;
- the degree to which users skip advertisements and therefore diminish the value of those advertisements to advertisers;
- changes in the way advertising is priced or its effectiveness is measured;

- our inability, or perceived inability, to achieve an advertiser's intended performance metric, measure the effectiveness of our advertising, or target the appropriate audience for advertisements, including due to metric estimates published by third parties that may differ from our own metrics;
- changes in the definitions, measurement periods, geographic attribution, or included surfaces used for our audience metrics that make historical, regional, or advertiser comparisons more difficult;
- our inability to access, collect, and disclose user's personal data, including advertising or similar deterministic identifiers that new and existing advertisers may find useful;
- difficulty and frustration from advertisers who may need to reformat or change their advertisements to comply with our guidelines;
- volatility in the equity and global trade markets, which may reduce our advertisers' capacity or desire for aggressive advertising spending towards growth; and
- the political, economic, and macroeconomic climate and the status of the advertising industry in general, including impacts related to labor shortages and disruptions, supply chain disruptions, banking instability, tariffs and retaliatory countermeasures implemented by the United States or other governments, inflation, fluctuating interest rates, and as a result of war, terrorism, or armed conflict.

Moreover, individuals are also increasingly aware of and resistant to the collection, use, and sharing of personal data, including in connection with advertising. Individuals are more aware of options and certain rights related to consent and other options to opt-out of such data processing, including through media attention about privacy and data protection. Some users have opted out of allowing us to combine certain data from third-party apps and websites with certain data from Snapchat for advertising purposes, or we are required by law to do this for certain subsets of users, which has negatively impacted our ability to collect or use certain user data and our advertising partners' ability to deliver relevant content, all of which have in the past and could again in the future negatively impact our business.

Our use of artificial intelligence, including generative AI, in our advertising products may also introduce risks, including where AI-enabled features produce inaccurate, misleading, or otherwise undesirable outputs that reduce user trust or advertiser confidence, which could adversely affect demand for our advertising products and harm our business.

These and other factors could reduce demand for our advertising products, which may lower the prices we receive, or cause advertisers to stop advertising with us altogether. Either of these would seriously harm our business.

Snapchat depends on effectively operating with mobile operating systems, hardware, networks, regulations, and standards that we do not control. Changes in our products or to those mobile operating systems, hardware, networks, regulations, or standards may seriously harm our user retention, growth, and engagement.

Because Snapchat is used primarily on mobile devices, the application must remain interoperable with popular mobile operating systems, primarily Android and iOS, application stores, and related hardware, including mobile-device cameras. The owners and operators of such mobile operating systems and application stores, primarily Google and Apple, each have approval authority over whether to feature our core products on their application stores and make available to consumers third-party products that compete with ours. Furthermore, there is no guarantee that any approval previously provided by such owner or operator will not be rescinded in the future. Additionally, mobile devices and mobile-device cameras are manufactured by a wide array of companies. Those companies have no obligation to test the interoperability of new mobile devices, mobile-device cameras, or related devices with Snapchat, and may produce new products that are incompatible with or not optimal for Snapchat. We have no control over these mobile operating systems, application stores, or hardware, and any changes may degrade our products' functionality, or give preferential treatment to competitive products. For instance, Apple's iOS 18, first introduced in September 2024, made it more difficult for us to access a Snapchatter's contact book, which in turn made it more difficult for us to connect Snapchatters with their close friends, potentially reducing engagement on our platform. Because these changes do not apply to Apple's iMessage app, it may put us at a competitive disadvantage. Actions by government authorities may also impact our access to these systems or hardware and could seriously harm Snapchat usage. Our competitors that control the mobile operating systems and related hardware could make interoperability of our products more difficult or display their competitive offerings more prominently than ours. Additionally, our competitors that control the standards for the application stores could make Snapchat, or certain features of Snapchat, inaccessible for a potentially significant period of time or require us to make changes to maintain access. We plan to continue to introduce new products and features regularly, including some features that may only work on the latest systems and hardware, and have experienced that it takes significant time to optimize new

products and features to function with the variety of existing mobile operating systems, hardware, and standards, impacting the popularity of such products, and we expect this trend to continue.

Moreover, our products require high-bandwidth data capabilities. If the costs of data usage increase or access to cellular networks is limited, our user retention, growth, and engagement may be seriously harmed. Additionally, to deliver high-quality video and other content over mobile cellular networks, our products must work well with a range of mobile technologies, systems, networks, regulations, and standards that we do not control and which may be subject to future changes. In addition, the proposal or adoption of any laws, regulations, or initiatives that adversely affect the growth, popularity, or use of the internet, including laws governing internet neutrality, could decrease the demand for our products, including by impairing our ability to retain existing users or attract new users, make Snapchat a less attractive alternative to our competitors' applications, and increase our cost of doing business.

We may not successfully cultivate relationships with key industry participants or develop products that operate effectively with these technologies, systems, networks, regulations, or standards. If it becomes more difficult for our users to access and use Snapchat, if our users choose not to access or use Snapchat, or if our users choose to use products that do not offer access to Snapchat, our business and user retention, growth, and engagement could be seriously harmed.

We rely on Google Cloud and Amazon Web Services, or AWS, for the vast majority of our computing, storage, bandwidth, and other services. Any disruption of or interference with our use of either platform would negatively affect our operations and seriously harm our business.

Google and Amazon provide distributed computing infrastructure platforms for business operations, commonly referred to as a "cloud" computing service. We currently run the vast majority of our computing on Google Cloud and AWS and have built our software and computer systems to use computing, storage capabilities, bandwidth, and other services provided by Google Cloud and AWS. Our systems are not fully redundant on the two platforms. Any transition of the cloud services currently provided by either Google Cloud or AWS to the other platform or to another cloud provider would be difficult to implement and would cause us to incur significant time and expense. We have experienced infrastructure outages by our service providers and expect to experience more outages in the future. Given this, any significant disruption of or interference with Google Cloud or AWS, whether temporary, regular, or prolonged, would negatively impact our operations and our business would be seriously harmed. If our users or partners are not able to access Snapchat or specific Snapchat features, or encounter difficulties in doing so, due to issues or disruptions with Google Cloud or AWS, we may lose users, partners, or advertising revenue. The level of service provided by Google Cloud and AWS or similar providers may also impact our users', advertisers', and partners' usage of and satisfaction with Snapchat and could seriously harm our business and reputation if the level of service decreases. Hosting costs also have and will continue to increase as our user base and user engagement grows and may seriously harm our business if we are unable to grow our revenues faster than the cost of utilizing the services of Google Cloud, AWS, or similar providers.

In addition, Google or Amazon may take actions beyond our control that could seriously harm our business, including:

- discontinuing or limiting our access to its cloud platform;
- increasing pricing terms;
- terminating or seeking to terminate our contractual relationship altogether;
- establishing more favorable relationships or pricing terms with one or more of our competitors; or
- modifying or interpreting its terms of service or other policies in a manner that impacts our ability to run our business and operations.

If we are unable to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our business may be seriously harmed. If we need to license or acquire new intellectual property, we may incur substantial costs.

We aim to protect our confidential proprietary information, in part, by entering into confidentiality agreements and invention assignment agreements with our employees, consultants, advisors, and third parties who access or contribute to our proprietary know-how, information, or technology. We, however, cannot assure you that these agreements will be effective in controlling access to, or preventing unauthorized distribution, use, misuse, misappropriation, reverse engineering, or disclosure of our proprietary information, know-how, and trade secrets. These agreements may be breached, and we may not have adequate remedies for any such breach. Enforcing a claim that a party illegally disclosed or

misappropriated a trade secret or know-how can be difficult, expensive, and time-consuming, and the outcome can be unpredictable. Furthermore, these agreements do not prevent our competitors or partners from independently developing offerings that are substantially equivalent or superior to ours.

We also rely on trademark, copyright, patent, trade secret, and domain-name protection laws to protect our proprietary rights. In the United States and internationally, we have filed various applications to protect aspects of our intellectual property, and we currently hold a number of issued patents, trademarks, and copyrights in multiple jurisdictions. In the future, we may acquire additional patents or patent portfolios, which could require significant cash expenditures. However, third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, third parties may design around our proprietary rights or independently develop competing technology, and pending and future trademark, copyright, and patent applications may not be approved. Moreover, we cannot ensure that the claims of any granted patents will be sufficiently broad to protect our technology or platform and provide us with competitive advantages. Additionally, failure to comply with applicable procedural, documentary, fee payment, and other similar requirements could result in abandonment or lapse of the affected patent, trademark, or copyright application or registration.

Moreover, a portion of our intellectual property has been acquired or licensed from one or more third parties. While we have conducted diligence with respect to such acquisitions and licenses, because we did not participate in the development or prosecution of much of the acquired intellectual property, we cannot guarantee that our diligence efforts identified and remedied all issues related to such intellectual property, including potential ownership errors, potential errors during prosecution of such intellectual property, and potential encumbrances that could limit our ability to enforce such intellectual property rights.

Further, the laws of certain foreign countries do not provide the same level of protection of corporate proprietary information and assets such as intellectual property, trade secrets, know-how, and records as the laws of the United States. For instance, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection. As a result, we may be exposed to material risks of theft of our proprietary information and other intellectual property, including technical data, manufacturing processes, data sets, or other sensitive information, and we may also encounter significant problems in protecting and defending our intellectual property or proprietary rights abroad. In any of these cases, we may be required to expend significant time and expense to prevent infringement or to enforce our rights. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and, if such defenses, counterclaims, and countersuits are successful, we could lose valuable intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could impair the functionality of our platform, delay introductions of enhancements to our platform, result in our substituting inferior or more costly technologies into our platform, or harm our reputation and brand. In addition, we may be required to license additional technology from third parties to develop and market new platform features, which may not be on commercially reasonable terms, or at all, and would adversely affect our ability to compete. Although we have taken measures to protect our proprietary rights, there can be no assurance that others will not offer products, brands, content, or concepts that are substantially similar to ours and compete with our business. If we are unable to protect our proprietary rights or prevent unauthorized use or appropriation by third parties, the value of our brand and other intangible assets may be diminished, and competitors may be able to more effectively mimic our service and methods of operations. Any of these events could seriously harm our business.

Our two co-founders have control over all stockholder decisions because they control a substantial majority of our voting stock.

Our two co-founders, Evan Spiegel and Robert Murphy, control over 99% of the voting power of our outstanding capital stock as of September 30, 2026, and Mr. Spiegel alone can exercise voting control over a majority of our outstanding capital stock. As a result, Mr. Spiegel and Mr. Murphy, or in many instances Mr. Spiegel acting alone, have the ability to control the outcome of all matters submitted to our stockholders for approval, including the election, removal, and replacement of our directors and any merger, consolidation, or sale of all or substantially all of our assets.

If Mr. Spiegel's or Mr. Murphy's employment with us is terminated, they will continue to have the ability to exercise the same significant voting power and potentially control the outcome of all matters submitted to our stockholders for approval. Either of our co-founders' shares of Class C common stock will automatically convert into Class B common stock, on a one-to-one basis, nine months following his death or on the date on which the number of outstanding shares of Class C common stock held by such holder represents less than 30% of the Class C common stock held by such holder on

the closing of our IPO, or 32,383,178 shares of Class C common stock. Should either of our co-founders' Class C common stock be converted to Class B common stock, the remaining co-founder will be able to exercise voting control over our outstanding capital stock. Moreover, Mr. Spiegel and Mr. Murphy have entered into a proxy agreement under which each has granted to the other a voting proxy with respect to all shares of our Class B common stock and Class C common stock that each may beneficially own from time to time or have voting control over. The proxy would become effective on either founder's death or disability. Accordingly, on the death or incapacity of either Mr. Spiegel or Mr. Murphy, the other could individually control nearly all of the voting power of our outstanding capital stock.

In addition, in October 2016, we issued a dividend of one share of non-voting Class A common stock to all our equity holders, which will prolong our co-founders' voting control because our co-founders are able to liquidate their holdings of non-voting Class A common stock without diminishing their voting control. Furthermore, in July 2022, our board of directors approved the future declaration and payment of a special dividend of one share of Class A common stock on each outstanding share of Snap's common stock, subject to certain triggering conditions, which triggering conditions were modified in connection with the settlement of a class action lawsuit in February 2024. In the future, our board of directors may, from time to time, decide to issue additional special or regular stock dividends in the form of Class A common stock, and if we do so, our co-founders' control could be further prolonged. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support. Conversely, this concentrated control could allow our co-founders to consummate such a transaction that our other stockholders do not support. In addition, our co-founders may make long-term strategic investment decisions for our company and take risks that may not be successful and may seriously harm our business.

As our Chief Executive Officer, Mr. Spiegel has control over our day-to-day management and the implementation of major strategic investments of our company, subject to authorization and oversight by our board of directors. As board members and officers, Mr. Spiegel and Mr. Murphy owe a fiduciary duty to our stockholders and must act in good faith in a manner they reasonably believe to be in the best interests of our stockholders. As stockholders, even controlling stockholders, Mr. Spiegel and Mr. Murphy are entitled to vote their shares, and shares over which they have voting control, in their own interests, which may not always be in the interests of our stockholders generally. We have not elected to take advantage of the "controlled company" exemption to the corporate governance rules for companies listed on the New York Stock Exchange, or NYSE.

Macroeconomic uncertainties, including labor shortages and disruptions, supply chain disruptions, banking instability, tariffs and retaliatory countermeasures, inflation, fluctuating interest rates, and recession risks, have in the past and may continue to adversely impact our business.

Global economic and business activities have in the past and may continue to face widespread macroeconomic uncertainties, which are often exacerbated by ongoing or escalating geopolitical conflicts. These uncertainties, including labor shortages and disruptions, supply chain disruptions, banking instability, tariffs and retaliatory countermeasures, inflation, fluctuating interest rates, and recession risks, may continue for an extended period, and some of which have adversely impacted, and may continue to adversely impact, many aspects of our business. For example, tariffs recently imposed by the United States, continued threats of new or increased tariffs, sanctions, trade restrictions and trade barriers, and ongoing changes in the United States and foreign government trade policies, including potential modifications to existing trade agreements, have created volatility in the global capital markets, have had and may continue to have a generally disruptive impact on the global economy, and could have further global economic consequences, including disruptions of the global supply chain.

As some of our advertisers experienced downturns or uncertainty in their own business operations and revenue, they halted or decreased or may halt, decrease, or continue to decrease, temporarily or permanently, their advertising spending or may focus their advertising spending more on other platforms, all of which may result in decreased advertising revenue. Labor shortages and disruptions, supply chain disruptions, tariffs and retaliatory countermeasures, banking instability, inflation, and fluctuating interest rates, have in the past and may continue to cause logistical challenges, increased input costs, inventory constraints, and liquidity uncertainty for our advertisers, which in turn may also halt or decrease advertising spending and may make it difficult to forecast our advertising revenue. Any decline in advertising revenue or the collectability of our receivables could seriously harm our business.

As a result of macroeconomic uncertainties, our partners and community who provide content or services to us may experience delays or interruptions in their ability to create content or provide services, if they are able to do so at all. Members of our community may also alter their usage of our products and services, particularly relative to prior periods when travel restrictions were in place. A decrease in the amount or quality of content available on Snapchat, or an

interruption in the services provided to us, could lead to a decline in user engagement, which could seriously harm our business.

To the extent that macroeconomic uncertainties continue to impact our business, many of the other risks described in these risk factors may be exacerbated.

Exposure to geo-political conflicts and events could put our employees and partners at substantial risk, interrupt our operations, increase costs, create additional regulatory burdens, and have significant negative macroeconomic effects, any of which could seriously harm our business.

Significant geo-political conflicts and events have had, and will likely continue to have, a substantial effect on our business and operations. We have had, and will likely continue to have, team members and their families in impacted regions who face substantial personal risk, unprecedented disruption of their lives, and uncertainty as to the future. We have provided emergency assistance and support to these team members and their families, and we expect to continue this support in the future. In addition, we have offices, hardware, and other assets in impacted regions that may be at risk of destruction or theft. We have incurred, and will likely continue to incur, costs to support our team members and reorganize our operations to address these ongoing challenges. In addition, our management has spent significant time and attention on these and related events. The ongoing disruptions to our team members, our management, and our operations could seriously harm our business.

Generally, during times of war and other major conflicts, we, the third parties with whom we work, and our partners are vulnerable to a heightened risk of cyberattacks, including retaliatory cyberattacks, that could seriously disrupt our business. We have experienced, and may continue to experience, attempted cyberattacks on our products, systems, and networks, which we believe are related to conflicts. We may also face retaliatory attacks by governments, entities, or individuals who do not agree with our public expressions with regards to any conflicts or support for team members. Any such attack could cause disruption to our platform, systems, and networks, result in security breaches or data loss, damage our brand, or reduce demand for our services or advertising products. In addition, we may face significant costs (including legal and litigation costs) to prevent, correct, or remediate any such breaches. We may also be forced to expend additional resources monitoring our platform for evidence of disinformation or misuse in connection with any ongoing conflict.

Geo-political conflicts and events are inherently unpredictable, evolve quickly, and may have negative long-term impacts. On a macroeconomic level, geo-political conflicts may disrupt trade, intensify problems in the global supply chain, contribute to inflationary pressures, and change advertiser spending and consumer behavior. All of these factors may negatively impact the demand for advertising as companies face limited product availability, restricted sales opportunities, and condensed margins. Any pause or reduction in advertising spending in connection with geo-political conflicts or events could negatively impact our revenue and harm our business.

If we do not develop successful new products or improve existing ones, our business will suffer. We may also invest in new lines of business that could fail to attract or retain users or generate revenue.

Our ability to engage, retain, and increase our user base and to increase our revenue will depend heavily on our ability to successfully create new products, both independently and together with third parties. We may introduce significant changes to, or discontinue, our existing products or develop and introduce new and unproven products and services, including technologies with which we have little or no prior development or operating experience. These new products and services may fail to increase the engagement of our users, advertisers, or partners, may result in friction for our users, advertisers, or partners, may subject us to increased regulatory requirements or scrutiny, and may even result in short-term or long-term decreases in such engagement by disrupting existing user, advertiser, or partner behavior or by introducing performance and quality issues. For example, in January 2023, we made changes to our advertising platform to lay the foundation for future growth, but which have been disruptive to our customers and how some of them utilized our platform. In addition, certain new products or features, particularly those involving public or broadly accessible communications, may also increase risks relating to harmful or objectionable content, user safety, privacy expectations, and compliance with evolving legal and regulatory requirements, which could require significant investment and adversely affect our reputation, user engagement, and business. The short- and long-term impact of any major change, or even a less significant change such as a refresh of the application or a feature change, is difficult to predict. While we believe that these decisions will benefit the aggregate user experience or improve our financial performance over the long term, we may experience disruptions or declines in our DAUs, MAUs, user activity, or financial performance. Product innovation is inherently volatile, and if new or enhanced products fail to engage our users, advertisers, or partners, or if we fail to give our users meaningful reasons to return to our applications and websites, we may fail to attract or retain users or to generate

sufficient revenue, operating margin, or other value to justify our investments, any of which may seriously harm our business in the short-term, long-term, or both.

Because our products created new ways of communicating, they have often required users to learn new behaviors to use our products, or to use our products repeatedly to receive the most benefit. These new behaviors, such as swiping and tapping in the Snapchat application, are not always intuitive to users. This can create a lag in adoption of new products and new user additions related to new products. We believe this has not hindered our user growth or engagement, but that may be the result of a large portion of our user base being in a younger demographic and more willing to invest the time to learn to use our products most effectively. To the extent that future users, including those in older demographics, are less willing to invest the time to learn to use our products, and if we are unable to make our products easier to learn to use, our user growth or engagement could be affected, and our business could be harmed. We may also develop new products or initiatives that increase user engagement and costs without increasing revenue in the short- or long-term.

In addition, we have invested, and expect to continue to invest, in new lines of business, new products, evolving the user experience, and other initiatives to increase our user base and user activity, and attempt to monetize the platform. For example, in 2022, we launched Snapchat+, a subscription product that gives subscribers access to exclusive, experimental, and pre-release features, and Snapchat for Web, a browser-based product that brings Snapchat's signature capabilities to the web, and in 2023, we launched My AI, an artificial intelligence powered chatbot. In 2024, we launched Sponsored Snaps, an advertising format in Chat, and Promoted Places, an advertising product on Snap Map, expanding monetization across those surfaces. In September 2026, we launched SPECS AR glasses, our next generation of augmented reality glasses and introduced SPECS Intelligence, an AI-powered service designed to provide personalized and contextual assistance across SPECS AR glasses and other devices. Such new lines of business, new products, evolving user experiences, and other initiatives may be costly, difficult to operate and monetize, increase regulatory scrutiny and product liability and litigation risk, and divert management's attention, and there is no guarantee that they will be positively received by our community, attract or retain users, generate sufficient revenue or operating margin, or provide positive returns on our investment. We frequently launch new products and they may have technical issues that diminish the performance of our applications or websites, experience product failures, or become subject to product recalls. These performance issues or issues that we encounter in the future could impact our user engagement. In addition, new products or features that we launch may ultimately prove unsuccessful or no longer fit with our priorities, and may be eliminated in the future. Such eliminations may require us to reduce our workforce and incur significant expenses. In certain cases, new products that we develop may require regulatory approval prior to launch or may require us to comply with additional regulations or legislation, including laws that are rapidly changing. There is no guarantee that we will be able to obtain such regulatory approval, and our efforts to comply with these laws and regulations could be costly and divert management's time and effort and may still not guarantee compliance. If we do not successfully develop new approaches to monetization or meet the expectations of our users or partners, we may not be able to maintain or grow our revenue as anticipated or recover any associated development costs, and our business could be seriously harmed.

We may not be successful in our strategy for and investments in our physical products and related services, which could seriously harm our business.

We may not be successful in our strategy and investments for our physical products and related services, which could seriously harm our business. We believe in computing that naturally integrates our digital experience with the physical world. We are investing in the future of augmented reality, and in June 2026, we announced and began accepting pre-orders for SPECS AR glasses, our next generation of augmented reality glasses, which officially launched in September 2026. In September 2026, we introduced SPECS Intelligence, an AI-powered service designed to provide personalized and contextual assistance across SPECS AR glasses and other devices. We expect that our strategy for and investments in our physical products, including wearables and our firmware and operating system, will continue to be a complex, evolving, and a long-term initiative that will involve the development of new and emerging technologies, including reliance on and collaboration with developers and partners. However, this ecosystem may not develop at pace with our expectations, and market acceptance and adoption of features, products, and services we build, or expect to build, is uncertain. Growing global regulatory scrutiny surrounding wearable technology and AI creates additional uncertainty. We also regularly evaluate our product roadmaps and make strategic shifts as our understanding of the technological challenges and market landscape evolve. In addition, we have limited experience with consumer hardware products, which may allow other companies to compete more effectively than us.

The expansion into hardware introduces risks inherent to the consumer electronics sector, including dependence on third-party manufacturers, volatile component costs, and the need to establish complex, global distribution and logistics capabilities. We are exposed to the costs associated with managing post-sale support, warranty claims, and returns. We

have been and may in the future be exposed to inventory obsolescence and write-downs as a result of rapid changes in product cycles and pricing, defective merchandise, changes in consumer demand, including if consumer demand is misestimated, changes in consumer spending patterns, changes in consumer tastes with respect to our products, and other factors. We try to accurately predict these trends and avoid overstocking or understocking inventory. Demand for products, however, can change significantly between the time inventory or components are ordered and the date of sale. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable. Additionally, pre-orders and initial consumer interest may not translate into completed sales or sustained demand, and we may experience delays or other difficulties in fulfilling orders or supporting our products at scale. We may be unable to achieve sufficient sales volumes or generate sufficient revenue from SPECS AR glasses and related services to recover our significant development, manufacturing, and commercialization costs.

As we expand our physical-products strategy, including through SPECS physical stores and other retail spaces, we may face risks associated with constructing, operating and leasing physical retail locations, including customer, employee, or visitor injuries; property damage; security or safety incidents; lease and landlord obligations; inventory risks; and compliance with building, accessibility, health and safety, and other applicable requirements. These risks could result in liability, litigation, insurance claims, repair or remediation costs, and reputational harm.

We may be unsuccessful in our research and product development efforts, including if we are unable to develop relationships with key participants in the augmented reality ecosystem or to develop products that operate effectively with adjacent technologies, products, systems, networks, or standards. Our efforts in our physical products may also divert resources and management attention from other parts of our business. We expect to continue to make significant investments in augmented reality and other related technologies to support these efforts, and our ability to support these efforts is dependent on other parts of our business. In addition, as these initiatives evolve, we may be subject to increasing regulatory scrutiny and a variety of current or new laws and regulations in the U.S. and internationally, including in the areas of privacy, security, safety, ecodesign, accessibility, AI, competition, content regulation, tariffs, export controls, consumer protection, and e-commerce, which may delay or impede the development of our products and services, increase our operating costs, require significant management attention, or otherwise seriously harm our business. These may also include consumer finance regulation and other consumer protection laws that inhibit our ability to implement our preferred distribution models for our physical products in some countries. As a result of these and other factors, our strategy for and investments in our physical products, including wearables, may not be successful in the foreseeable future, or at all, which could seriously harm our business.

If our efforts to attract prospective subscribers to Snapchat+, retain existing subscribers, and effectively continue to monetize Snapchat+ and other non-advertising products and services are not successful, our revenue will be adversely affected.

Our ability to generate non-advertising revenue depends on retaining, expanding, and effectively monetizing our total user base, including by increasing the number of subscribers to Snapchat+ and finding ways to monetize our other products and services. We must convince prospective subscribers of the benefits of Snapchat+ and our existing subscribers of the continuing value of Snapchat+. Our ability to attract new subscribers, retain existing subscribers, and engage active subscribers depends in large part on our ability to continue to maintain, improve, and introduce new features available on Snapchat+. We may in the future adjust our subscription pricing and plans which may not be well-received by our community and could negatively impact our ability to attract and retain subscribers or generate revenue. If we fail to offer compelling product offerings with competitive pricing that users perceive to be of value, our ability to grow or sustain the reach of Snapchat+, attract and retain subscribers, and monetize our products and services may be adversely affected. In addition, our efforts to create other non-advertising revenue products and services may not be successful and may seriously impact our business.

Our business is highly competitive. We face significant competition that we anticipate will continue to intensify. If we are not able to maintain or improve our market share, our business could suffer.

We face significant competition in almost every aspect of our business both domestically and internationally, especially because our products and services operate across a broad list of categories, including camera, visual messaging, content, and augmented reality. Our competitors range from smaller or newer companies to larger, more established companies such as Alphabet (including Google and YouTube), Apple, ByteDance (TikTok and affiliated joint ventures), Kakao, LINE, Meta (including Facebook, Instagram, Threads, and WhatsApp), Naver (including Snow), Pinterest, Reddit, Tencent, and X (formerly Twitter). Our competitors also include platforms that offer, or will offer, a variety of products, services, content, and online advertising offerings that compete or may compete with Snapchat features or offerings. For

example, Instagram, a competing application owned by Meta, has incorporated many of our features, including a "stories" feature that largely mimics our Stories feature and a map feature that is similar to our Snap Map, both of which may be directly competitive. Meta has introduced, and likely will continue to introduce, more private ephemeral products into its various platforms which mimic other aspects of Snapchat's core use case. For example, Instagram has launched Instants, a disappearing-photos feature within Instagram Direct Messages, and in select markets as a standalone app, that may be directly competitive with Snapchat offerings. We also compete for users and their time, so we may lose users or their attention not only to companies that offer products and services that specifically compete with Snapchat features or offerings, but to companies with products or services that target or otherwise appeal to certain demographics, such as Discord or Roblox. Moreover, in emerging international markets, where mobile devices often lack large storage capabilities, we may compete with other applications for the limited space available on a user's mobile device. We also face competition from traditional and online media businesses for advertising budgets. We compete broadly with the products and services of Alphabet, Apple, ByteDance, Meta, Pinterest, Reddit, and X (formerly Twitter), and with other, largely regional, social media platforms that have strong positions in particular countries. In addition, our competitors have also increasingly adopted, and may in the future adopt, subscription models and premium feature sets that compete directly with Snapchat+, Lens+, and Snapchat Platinum. If our competitors offer more attractive premium features, exclusive content, or lower-priced subscription tiers, we may struggle to convert free users to paying subscribers or retain existing subscribers, which could adversely affect our non-advertising revenue growth. As we introduce new products, as our existing products evolve, or as other companies introduce new products and services, we may become subject to additional competition.

Many of our current and potential competitors have significantly greater resources and broader global recognition, and occupy stronger competitive positions in certain market segments, than we do. These factors may allow our competitors to respond to new or emerging technologies and changes in market requirements better than we can, undertake more far-reaching and successful product development efforts or marketing campaigns, or adopt more aggressive pricing policies. Because we are operating at a relatively smaller scale compared to some of our competitors, we may be unable to innovate quickly enough to keep pace with the product development cycles or the rapid expansion of advertising platforms offered by our competitors with greater resources. In addition, ongoing changes to privacy and data protection laws and mobile operating systems have made it more difficult for us to target and measure advertisements effectively, and advertisers may prioritize the solutions of larger, more established companies. As a result, our competitors may, and in some cases will, acquire and engage users or generate advertising or other revenue at the expense of our own efforts, which would negatively affect our business. Advertisers may use information that our users share through Snapchat to develop or work with competitors to develop products or features that compete with us. Certain competitors, including Alphabet, Apple, and Meta, could use strong or dominant positions in one or more market segments to gain competitive advantages against us in areas where we operate, including by:

- integrating competing social media platforms or features into products they control such as search engines, web browsers, artificial intelligence services, advertising networks, or mobile operating systems;
- making acquisitions for similar or complementary products or services; or
- impeding Snapchat's accessibility and usability by modifying existing hardware and software on which the Snapchat application operates.

Certain acquisitions by our competitors may result in reduced functionality of our products and services, provide our competitors with valuable insight into the performance of our and our partners' businesses, and provide our competitors with a pipeline of future acquisitions to maintain a dominant position. As a result, our competitors may acquire and engage users at the expense of our user base, growth, or engagement, which may seriously harm our business.

We believe that our ability to compete effectively depends on many factors, many of which are beyond our control, including:

- the usefulness, novelty, performance, and reliability of our products compared to our competitors' products;
- the number and demographics of our DAUs and MAUs;
- the timing and market acceptance of our products, including developments and enhancements of our competitors' products;
- our ability to monetize our products and services, including new products and services;
- the availability of our products to users;
- the effectiveness of our advertising and sales teams;

- the effectiveness of our advertising products;
- our ability to establish and maintain advertisers' and partners' interest in using Snapchat;
- the frequency, relative prominence, and type of advertisements displayed on our applications and websites or by our competitors;
- the effectiveness of our customer service and support efforts;
- the effectiveness of our marketing activities;
- actual or proposed legislation, regulation, executive actions, or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us relative to our competitors;
- acquisitions or consolidation within our industry segment;
- our ability to attract, retain, and motivate talented team members, particularly engineers, designers, and sales personnel (including as a result of the headcount reduction and restructuring plans that we announced in April 2026);
- our ability to successfully acquire and integrate companies and assets;
- the security, or perceived security, of our products and data protection measures compared to our competitors' products;
- our ability to cost-effectively manage and scale our operations; and
- our reputation and brand strength relative to our competitors.

If we cannot effectively compete, our user engagement may decrease, which could make us less attractive to users, advertisers, and partners and seriously harm our business.

We have incurred operating losses in the past, and may not be able to attain and sustain profitability.

We began commercial operations in 2011 and we have historically experienced net losses and negative cash flows from operations. As of September 30, 2026, we had an accumulated deficit of $14.7 billion. Although for the three months ended September 30, 2026, we had a net income of $56.5 million, we have had net losses in prior recent periods. We expect our operating expenses to increase in the future as we expand our operations. We may incur significant losses in the future for many reasons, including due to the other risks and uncertainties described in this report. Additionally, we may encounter unforeseen expenses, operating delays, or other unknown factors that may result in losses in future periods. If our revenue does not grow at a greater rate than our expenses, our business may be seriously harmed and we may not be able to attain and sustain profitability.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could seriously harm our business.

We depend on the continued services and performance of our key personnel, including Mr. Spiegel and Mr. Murphy. Although we have entered into employment agreements with Mr. Spiegel and Mr. Murphy, the agreements are at-will, which means that they may resign or could be terminated for any reason at any time. Mr. Spiegel and Mr. Murphy are high profile individuals who have received threats in the past and are likely to continue to receive threats in the future. Mr. Spiegel, as Chief Executive Officer, has been responsible for our company's strategic vision and Mr. Murphy, as Chief Technology Officer, developed the Snapchat application's technical foundation. Should either of them stop working for us for any reason, it is unlikely that the other co-founder would be able to fulfill all of the responsibilities of the departing co-founder nor is it likely that we would be able to immediately find a suitable replacement. The loss of key personnel, including members of management and key engineering, product development, marketing, and sales personnel, could disrupt our operations, adversely impact employee retention and morale, and seriously harm our business.

We cannot guarantee we will continue to attract and retain the personnel we need to maintain our competitive position. We face significant competition in hiring and attracting qualified engineers, designers, and sales personnel, including from companies that offer a remote or hybrid work environment, which may increase the competition for such employees from employers outside of our traditional office locations. While we intend to continue offering flexible work arrangements based on the different needs of teams across our company on a case-by-case basis, we may face difficulty in hiring and retaining our workforce as a result of our policies which require greater in-office attendance. Further, labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled

workers and leaders, inflation, fluctuating interest rates, intensified restrictions on immigration or the availability of visas, other macroeconomic uncertainties, and workforce participation rates. In addition, if our reputation were to be harmed, whether as a result of our strategic decisions or media, legislative, or regulatory scrutiny or otherwise, it could make it more difficult to attract and retain personnel that are critical to the success of our business. Recently, there has also been increased scrutiny of companies' human capital practices and initiatives. Negative perception of certain of these practices and initiatives, whether due to our perceived over- or under-pursuit of such initiatives, may result in issues hiring or retaining employees, as well as potential litigation or other adverse impacts. In April 2026, we announced plans to reduce our global headcount by approximately 16% of our global full-time employees in order to further streamline our operations and reallocate resources toward our highest-priority initiatives. This announcement and our related plans or future headcount reduction or reorganization initiatives may negatively impact our reputation and our ability to continue to attract and retain personnel.

As we continue to adapt and update our business model and priorities, or if our stock price declines, our equity awards may not be as effective an incentive to attract, retain, and motivate team members. Stock price declines may also cause us to offer additional equity awards to our existing team members to aid in retention. Furthermore, if we issue significant equity to attract and retain team members, we would incur substantial additional stock-based compensation expense and the ownership of our existing stockholders would be further diluted. If we do not succeed in attracting, hiring, and integrating excellent personnel, or retaining and motivating existing personnel, we may be unable to grow or effectively manage our business and our business could be seriously harmed.

We have a continually evolving business model, which makes it difficult to evaluate our prospects and future financial results and increases the risk that we will not be successful.

We began commercial operations in 2011, began meaningfully monetizing Snapchat in 2015, and we launched Snapchat+, a paid subscription product, in 2022. We have a continually evolving business model, which makes it difficult to effectively assess our future prospects. Accordingly, we believe that investors' future perceptions and expectations, which can be idiosyncratic and vary widely, and which we do not control, will affect our stock price. For example, investors may believe our timing and path to increased monetization will be faster or more effective than our current plans or than actually takes place. You should consider our business and prospects in light of the many challenges we face, including the ones discussed in this report.

If the security of our information technology systems or data is compromised or if our platform is subjected to cyber or other attacks that compromise user or partner accounts or frustrate or thwart our users', partners', or advertisers' ability to access our products and services, our reputation and business could be seriously harmed.

In the ordinary course of business, we collect, store, use, and share personal data and other sensitive information, including proprietary and confidential business data, trade secrets, third-party sensitive information, and intellectual property (collectively, sensitive information). Our efforts to protect our sensitive information, including information that our users, advertisers, and partners have shared with us, may be unsuccessful due to the actions of third parties, including traditional "black hat" hackers, nation states, nation-state supported groups, organized criminal enterprises, hacktivists, and our personnel and contractors (through theft, misuse, or other risk). We and the third parties with whom we work are subject to a variety of evolving threats, including social-engineering attacks (for example by fraudulently inducing employees, contractors, vendors, AI agents, users, or advertisers to disclose information or facilitate access to our sensitive information or systems), malware, malicious code, hacking, credential stuffing, denial of service, and other threats. These threats may use, or may be enhanced or facilitated by, artificial intelligence, including the use of image, video, or audio deepfakes, prompt injection or other manipulation of the inputs, instructions, or outputs of AI models, or agentic AI used to facilitate threats or vulnerability discovery and exploitation at scale. While certain of these threats have occurred in the past, they have become more prevalent and sophisticated in our industry, and may occur in the future. Because of our prominence and value of our sensitive information, we believe that we are an attractive target for these sorts of attacks.

In particular, severe cyber extortion incidents, including ransomware attacks, are becoming increasingly prevalent. To alleviate the financial, operational, and reputational impact of these incidents, it may be preferable to make extortion payments, but we may be unwilling or unable to do so, including, for example, if applicable laws or regulations prohibit such payments. And, even if we make such payments, cyber threat actors may still disclose data, engage in further extortion, or otherwise harm our systems or data. Moreover, our personnel is spread around the world and may work in hybrid or remote environments, which increases risks to our information technology systems and data, as they may utilize network connections, computers, and devices outside our premises or network that may be compromised or subject to surveillance, including while in transit and in public locations. Further, individuals from sanctioned jurisdictions have

illicitly and fraudulently sought employment at U.S. companies to fund their operations, including by gaining access to those companies' sensitive information or anything else of monetary value. While we maintain various measures designed to prevent this from occurring, if we were found to have willfully or knowingly employed any such individuals, we could face criminal liability.

In addition, cyber threat actors have also increased the complexity of their attempts to compromise user and advertiser accounts, despite our defenses and detection mechanisms designed to prevent these account takeovers. User identities may be obtained on- or off-platform, including through breaches of third-party platforms and services, information stealers, malware, social engineering, or other tactics and techniques like credential harvesting, and used to launch individual, group, or coordinated enterprise-wide attacks. Some of these attacks may be hard to detect, including if they are at scale, and may result in cyber threat actors using our service to spam or abuse other users, access personal data, further compromise additional accounts or extort our users, engage in fraudulent advertising, or other on-platform harms. Some of these attacks could also compromise employee credentials or involve socially engineering employees into granting access to systems or otherwise enabling or assisting in the cyber threat actors' goals. Because of our global and varied user base, we have been and may in the future be the target of commercial exploits and other internal and external attack methodologies by commercial spyware vendors, nation states, or nation-state supported groups, which have targeted users and the data we process about them and sought to use insiders to obtain user or employee data at peer technology companies.

We rely on third parties and technologies to operate critical business systems to process sensitive information in a variety of contexts, including cloud-based infrastructure, data center facilities, AI, encryption and authentication technology, employee email, content delivery, and other functions. We also rely on third parties to provide other products or services to operate our business or enable features in our platform. Additionally, some advertisers and partners store sensitive information that we share with them. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place even if they have made contractual representations to implement such measures and despite our third-party provider vetting process. If these third parties fail to implement adequate data security practices or fail to comply with our terms, policies, or contractual obligations, our sensitive information may be compromised, and we may experience adverse consequences. And even if these third parties implement data security practices and comply with various obligations, their networks may still suffer a breach, which could compromise our sensitive information. We or our third-party providers may also experience failures or malfunctions of hardware or software, the loss of technology assets, or the loss of data that, while not caused by threat actors, may have a similar impact and risk to our business. While we may be entitled to damages if the third parties with whom we work fail to satisfy their privacy or security-related obligations to us, or cause the loss of our data or prolonged downtime, any award may be insufficient to cover our damages, or we may be unable to recover such award.

Moreover, our products and services, and the internal systems that support them and our business, rely on software, hardware, and other systems developed or maintained by our engineering teams and third parties (including open source software), and all of these have contained and will contain vulnerabilities, errors, bugs, or defects, which may or may not be detected by our teams or the respective third parties prior to our or their release, usage, or reliance on them. We also face risks from vulnerabilities, errors, bugs or defects through the use of AI to develop or maintain our software or systems and the use of AI within those software and systems, including AI agents and AI-generated code, as AI models may create flawed, incomplete, or inaccurate outputs, some of which may appear correct. This may happen if the inputs that the model relied on were inaccurate, incomplete, or flawed (including if a bad actor "poisons" the AI technology with bad inputs or logic), or if the logic of the AI technology is flawed (a so-called "hallucination"). Supply chain attacks have also increased in frequency and severity, and we cannot guarantee that third parties in our supply chain have not been compromised or that their systems, networks, or code are free from exploitable vulnerabilities, errors, bugs, or defects. In addition, rapid advances in AI have enabled the discovery of security vulnerabilities at increased speed and scale across our industry, which may outpace our or third parties' ability to remediate them, and our development and deployment of AI models and AI agents may expose us and our users to increased and novel risks and vulnerabilities, including prompt injection, circumvention of AI safety controls to generate harmful or otherwise unauthorized outputs, errors, agents acting beyond their intended scope. Any of these risks and vulnerabilities may lead to the compromise of data, systems, or valuable intellectual property, including source code, model weights, and other proprietary assets. We take steps designed to detect and remediate vulnerabilities in our software, hardware, and information systems, and to implement patches, upgrades and fixes provided by the third parties with whom we work, and we work with security researchers through our bug bounty program and our third party providers to help us identify vulnerabilities. However, we and our third party providers have not detected, become aware of, and remediated, and may not in the future detect, become aware of, and remediate all such vulnerabilities, or other bugs, errors, or defects, including on a timely basis, and there is no guarantee security researchers will disclose all vulnerabilities they become aware of or do so responsibly. Further, we and our third

party providers have experienced, and may in the future experience, delays in developing or deploying remedial measures and patches designed to address identified vulnerabilities, bugs, errors, and defects. These could be exploited and result in a security or privacy incident, cause us to fail in our commitments to our users, advertisers, or partners, or cause a breach of or disruption of our platform, systems, networks, products, or services.

While we have implemented security measures, including encryption, designed to protect against cyberattacks and other security incidents, there can be no assurance that these measures will be effective. If any of these or similar events occur, our or our third-party partners' sensitive information and information technology systems could be accessed, acquired, modified, destroyed, lost, altered, encrypted, or disclosed in an unauthorized, unlawful, accidental, or other improper manner, resulting in a security incident or other interruption. It may be difficult and costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems.

We have and may continue to expend significant resources or modify our business activities to adopt additional measures designed to protect against cyberattacks and other security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our systems and sensitive information.

We have in the past experienced, and may in the future experience, actual and attempted cyberattacks and other security incidents that impact the confidentiality, availability, or integrity of sensitive information, including as a result of insider threats, denial of service or outage, employee error, vendor breaches, and other causes. Any cyberattack or other security incident experienced by us or our third-party partners could damage our reputation and our brand, and diminish our competitive position. Applicable privacy and security obligations may require us, or we may choose, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents, or take other actions. Our obligations for notifying outages, incidents, and security vulnerabilities impacting users in the European Union have expanded, with both the Network and Information Security 2 (NIS2) Directive and Cyber Resilience Act (CRA) Regulation becoming effective in the second half of 2026. Such disclosures and related actions are costly and the failure to comply with applicable legal requirements could lead to adverse consequences. Governments and regulatory agencies (including the Securities and Exchange Commission, or the SEC) have and may continue to enact new, complex, and overlapping disclosure requirements for cybersecurity events on accelerated timelines, which we may not be able to meet based on the facts and circumstances of a cybersecurity event. In addition, affected users or government authorities could initiate legal or regulatory action against us, including class action claims, mass arbitration demands, investigations, penalties, and audits, which could be time-consuming and cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. We could also experience loss of user or advertiser confidence in the security of our platform, additional reporting requirements or oversight, restrictions on processing sensitive information, claims by our partners or other relevant parties that we have failed to comply with contractual obligations or our policies, and indemnification obligations. We could also spend material resources to investigate or correct the incident and to prevent future incidents. Maintaining the trust of our users is important to sustain our growth, retention, and user engagement. Concerns over our privacy and security practices, whether actual or unfounded, could damage our reputation and brand and deter users, advertisers, and partners from using our products and services. Any of these occurrences could seriously harm our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of alleged harms, including past harms, to teens or other users or our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may seriously harm and negatively affect our reputation and our business.

We regularly review and share metrics, including our DAUs, MAUs, and Average Revenue Per User, or ARPU, metrics, with our investors, advertisers, and partners to evaluate growth trends, measure our performance, and make strategic decisions. These metrics are calculated using internal company data gathered on an analytics platform that we developed and operate and our methodologies have not in all instances been validated by an independent third party. In addition, we may change the way we measure and report metrics from time to time in connection with changes to our products, our business, or how management believes we can best monitor engagement with and performance of our platform, making comparisons to prior periods more difficult. For example, beginning in the first quarter of 2027, we plan to transition to global MAU as our primary audience metric. We also plan to update the definition and calculation of MAU and the definition of ARPU. While these metrics are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally that may require significant judgment and are subject to technical errors. For example, there may be individuals who attempt to create accounts for malicious purposes, including at scale, even though we forbid that in our Terms of Service and Community Guidelines. We implement measures in our user registration process and through other technical measures to prevent, detect, and suppress that behavior, although we have not determined the number of such accounts, or the effectiveness of such measures. Our user metrics are also affected by technology on certain mobile devices that automatically runs in the background of our Snapchat application when another phone function is used, and this activity can cause our system to miscount the user metrics associated with such account.

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 age demographics or estimate their ages based on a sample of the self-reported ages we do have. If our 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 or advertiser expectations. In addition, our estimates for revenue and DAU and MAU by user location may also be affected by data limitations and other challenges in measuring user locations. Our data regarding the geographic location of our users is estimated based on a number of factors, such as the user's IP address. If a user utilizes a proxy server or if there are other data limitations, we may not be able to accurately reflect the user's actual location, and we may inadvertently fail to apply local age-gating, content moderation, or data-retention standards required by that specific location. The increasing availability and use of proxy servers, and other geolocation-masking tools, makes it more challenging to effectively determine our users' location and effectively attribute a user to a region, which may diminish the perceived effectiveness of our products and services and our ability to comply with applicable law which may result in government enforcement actions or monetary fines, all of which may seriously harm our business. Errors or inaccuracies in our metrics or data could also result in incorrect business decisions and inefficiencies. For instance, if a significant understatement or overstatement of active users were to occur, we may expend resources to implement unnecessary business measures or fail to take required actions to attract a sufficient number of users to satisfy our growth strategies. We count a DAU when a registered and logged-in Snapchat user visits Snapchat through our applications or websites at least once during a defined 24-hour period, and only once per user per day, and a MAU when a registered and logged-in Snapchat user visits Snapchat through our applications or websites at least once during the 30-day period ending on the calendar month-end. We have multiple pipelines of user data that we use to determine whether a user has visited Snapchat through our applications or websites during a particular day. This provides redundancy in the event one pipeline of data were to become unavailable for technical reasons, and also gives us redundant data to help measure how users interact with our applications and websites. However, we believe that we do not capture all data regarding our active users, which has in the past and may in the future result in understated metrics. This generally occurs because of technical issues, for instance when our systems do not record data from a user's application or when a user opens the Snapchat application and contacts our servers but is not recorded as an active user. We continually seek to address these technical issues and improve our measurement processes and accuracy, such as comparing our active users and other metrics with data received from other pipelines, including data recorded by our servers and systems. But given the complexity of the systems involved and the rapidly changing nature of mobile devices and systems, we expect these issues to continue, particularly if we continue to expand in parts of the world where mobile data systems and connections are less stable. 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 to adjust in the future our processes for calculating our internal metrics to improve their accuracy. As a result of such adjustments, our DAUs, MAUs, or other metrics may not be comparable to those in prior periods. Our measures of DAU, MAU, and other metrics may also differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology, data used, data limitations, or other challenges in measuring large online and mobile populations. If advertisers, partners, or investors do not perceive our user, geographic, other demographic metrics, or measurements of advertising effectiveness to be accurate, or if we discover material inaccuracies in our metrics, our

reputation may be seriously harmed. Our advertisers and partners may also be less willing to allocate their budgets or resources to Snapchat, which could seriously harm our business. In addition, 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, and we calculate average MAU for a particular quarter by calculating the average of the MAUs as of each calendar month-end in that quarter. These calculations may mask any individual days or months within the quarter that are significantly higher or lower than the quarterly average. Beginning in the first quarter of 2027, we will calculate MAU based on user activity during only the final 30 days of a quarter, and that measurement period may not capture user engagement throughout the full quarter.

Improper or illegal use of Snapchat could seriously harm our business and reputation, and our efforts to identify and remediate such harms may be unsuccessful or result in unintended consequences.

We invest significant resources in proactive technologies and human review to detect and mitigate harms on our platform, including child safety risks, illegal activity, and harassment. However, while our systems may identify signals or detect potentially harmful content, we may not be able to take action with sufficient speed to prevent all harm. Any delay between detection and action could expose our users to risk and subject us to increased legal and regulatory scrutiny. Furthermore, in our attempt to rapidly mitigate harms, we may make mistakes, such as erroneously removing legitimate content or disabling the accounts of users who have not violated our policies. Such actions can frustrate our users and harm our reputation.

We also cannot be certain that the technologies that we have developed to repel spamming attacks will be able to eliminate all spam messages from our products. Spammers attempt to use our products to send targeted and untargeted spam messages to users, which may embarrass, offend, threaten, or annoy users and make our products less user friendly. Our actions to combat spam may also divert significant time and focus from improving our products. As a result of spamming activities, our users may use our products less or stop using them altogether and result in continuing operational cost to us.

Similarly, terrorists, criminals, and other bad actors may use our products to promote their goals and encourage users to engage in terror and other illegal activities discussed in our Transparency Report. We expect that as more people use our products, these bad actors will increasingly seek to misuse our products. Although we invest resources to combat these activities, including by suspending or terminating accounts we believe are violating our Terms of Service and Community Guidelines, we expect these bad actors will continue to seek ways to act inappropriately and illegally on Snapchat. Maintaining a safe platform, including by combating these bad actors, requires us to incur costs, which may be significant. In addition, we may not be able to control or stop Snapchat from becoming the preferred application of use by these bad actors, which may seriously harm our reputation or lead to lawsuits or attention from regulators. If these activities continue on Snapchat, our reputation, user growth and user engagement, and operational cost structure could be seriously harmed.

Because we store, process, and use data, some of which contains personal data, we are subject to complex and evolving federal, state, local and foreign laws, regulations, executive actions, rules, contractual obligations, policies, and other obligations regarding privacy, data protection, content regulation, and other matters. Many of these obligations are subject to change and to uncertain interpretation, and our actual or perceived failure to comply with such obligations could result in investigations, claims (including class actions), mass arbitration demands, changes to our business practices, increased cost of operations, and declines in user growth, retention, or engagement, or other adverse consequences, any of which could seriously harm our business.

In the ordinary course of business, we collect, store, use, and share personal data and other sensitive information, including proprietary and confidential business data, trade secrets, third-party sensitive information, and intellectual property. Accordingly, we are subject to a variety of laws, regulations, industry standards, policies, contractual requirements, executive actions, and other obligations relating to privacy, security, and data protection. We also are and may in the future be subject to many federal, state, local, and foreign laws and regulations, including those related to privacy, rights of publicity, content, data protection, AI, intellectual property, health and safety, competition, protection of minors, consumer protection, employment, money transmission, import and export restrictions, gift cards, electronic funds transfers, anti-money laundering, advertising, algorithms, encryption, and taxation.

Under certain of these laws, we could face temporary or definitive bans on data processing and other corrective actions, substantial monetary fines, or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized to represent their interests. The transfer of personal data continues

to be under increased regulatory attention and scrutiny, and certain jurisdictions in which we operate have significantly limited the lawful basis on which personal data can be transferred to other jurisdictions, enacted data export and localization requirements, and increased the assessments required to do so. We have attempted to structure our operations, and the cross-border transfer mechanisms we rely on, in a manner designed to help us partially avoid some of these cross-border data transfer concerns. Some of these mechanisms are, or may in the future be, subject to legal challenges, and there is no assurance that we can satisfy or rely on these mechanisms to lawfully transfer personal data in the future. If there is no lawful manner for us to transfer personal data, or if the requirements for a legally compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business, personnel, or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors, and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Regulators may seek to restrict our data processing activities if they believe we have violated cross-border data transfer limitations, which would seriously harm our business. Additionally, companies like us that transfer personal data between jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups.

Legislation in certain of the countries in which we operate has imposed extensive obligations, and potential monetary fines, on entities like us that are categorized in various contexts as online service providers (including, as the case may be, social media platforms, electronic communications providers, interactive computer services, or other similar categorizations) who enable the sharing of user-generated content, to identify, mitigate, manage, and in some cases prevent the risks of harm to users, including from illegal or harmful content (like terrorism) or behavior, child sexual exploitation and abuse, physical violence, bullying, and harassment or stalking. In addition, the privacy of teens' personal data collected online, and use of commercial websites, applications, online services, or other interactive platforms, generally, are also becoming increasingly scrutinized. Numerous laws, regulations, and legally-binding codes focused on online safety and protection of teens' privacy online have and may in the future require us to materially change our services and incur costs to do so. Moreover, various laws to restrict or govern the use of commercial websites, applications, online services, or other interactive platforms by teens have been proposed, passed, and implemented, including laws prohibiting certain teen age groups from accessing online services, including social media, restricting advertising to teens, requiring various levels of age assurance or verification, requiring default safeguards and imposing an express or implied duty of care, requiring warning labels or time-based access restrictions, requiring age ratings for purchases of our products and services, limiting the use and sharing of minors' personal data, and requiring parental consent or attestation or providing for other parental controls or rights. For example, in December 2025, Australia implemented the Australia Online Safety Amendment (Social Media Minimum Age) Act 2024, which prohibits social media accounts for minors under 16. Other jurisdictions, including the UK, the EU and EU member states, have proposed, passed, or implemented laws that would restrict or prohibit social media accounts for minors under a certain age. These laws may be, or in some cases already have been, subject to legal challenges and changing interpretations, which may further complicate our efforts to comply with laws applicable to us. These new laws may result in restrictions on the use of certain of our products or services by teens, result in the inability to offer certain products and services to teens, cause significant friction when teens try to access or use our products and services, require us to implement age assurance, parental consent, parental controls, age-rating, or other age-based access restrictions that may be costly, inaccurate, or unpopular. We are also subject to investigations by the European Commission under the DSA, which include scrutiny of Snap's compliance with the DSA, including systemic risk assessments and related mitigation measures concerning the protection of minors, and other compliance areas such as the reporting of illegal content. In the United Kingdom, Snapchat was designated under the Online Safety Act ("OSA") as a Category 1 service by the Office of Communications, or Ofcom, in July 2026. This imposes additional compliance requirements on us, including publishing a summary of our risk assessments. Non-compliance with the OSA could lead to investigations and other proceedings, culminating in substantial fines of up to £18 million or 10% of the previous year's global revenues, as well as the imposition of product requirements and other measures that could restrict access to the platform. In addition, we have notified regulators in the United Kingdom of our plan to test and implement certain product changes that are designed to address certain regulatory concerns regarding our safety measures, and may in the future from time to time make additional product changes in other jurisdictions for similar reasons to avoid potential enforcement actions. If the measures we have implemented, or may be required to implement prove ineffective or result in the misclassification of users, younger users may access age-inappropriate features or content, older users may be improperly restricted, and operating system providers, application stores, regulators, or other third parties may impose additional limitations on our products or services. Any of these developments could decrease DAUs, MAUs, or user engagement in those jurisdictions, require changes to our products and services to achieve compliance, decrease our advertising and subscription revenue, increase legal risk and compliance costs for us and our third-party partners, negatively impact our reputation, and distract management, any of which could seriously harm our business. These laws also allow for substantial statutory fines for noncompliance and, in

some instances, provide for civil penalties and a private right of action for violations, which may increase the likelihood and cost of regulatory actions and litigation under these laws, and could seriously harm our business.

Laws and regulations focused on privacy, security, and data protection, including data breach notification laws, personal data privacy laws, consumer protection laws, wiretapping laws, invasion of privacy laws, and other similar laws have imposed obligations on companies that collect personal data, including providing specific disclosures in privacy notices, expanding the requirements for handling personal data, requiring consents to process personal data in certain circumstances, and affording residents with certain rights concerning their personal data. Such rights include the right to access, correct, or delete certain personal data, appeal the denial of a right, and to opt-out of or limit certain data processing activities, such as targeted advertising, profiling, and artificial intelligence, including automated decision-making. The exercise of these rights impacts our business and ability to provide our products and services, and our inability or failure to obtain consent or otherwise identify a lawful basis for data processing that is acceptable to a regulator, where required, could result in adverse consequences, including class action litigation, regulatory enforcement, and mass arbitration demands. Certain of these laws also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments.

Additionally, several jurisdictions in which we operate have enacted statutes banning or restricting the collection of biometric information. Certain of these laws provide for substantial penalties and statutory damages and have generated significant class action activity. Although we maintain the position that our platform technologies do not collect any biometric information that is used to identify individuals, we have in the past, and may in the future, settle these disputes to avoid potentially costly litigation and have in certain instances made changes to our products in an abundance of caution.

Privacy advocates and industry groups have proposed, and may propose in the future, standards with which we are legally or contractually obligated to comply. Moreover, we are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We also publish privacy policies, marketing materials, and other statements regarding data privacy and security, including statements relied on by our users, advertisers, and business partners. If these policies, materials, or statements are found to be deficient, lacking transparency or adequate notice, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences, including class action litigation or mass arbitration demands.

The implementation and enforcement, including through private rights of action, of these increasingly complex, onerous, or divergent laws and regulations, and the introduction, interpretation, or revision of any new such laws or regulations, with respect to privacy, security, data protection, and our industry are uncertain and may further complicate compliance efforts, lead to fragmentation of the service, increase legal risk and compliance costs for us and our third-party partners, or decrease the perceived usefulness of our service to our users and advertisers. For example, some federal privacy laws are currently being challenged, and litigation in this space could impact the privacy rights of our community, including modifying the ability of third parties (such as government agencies and civil litigants) to obtain private communications between users, which in turn may negatively impact users' experience, trust, and satisfaction and decrease their engagement with our products. Many of these obligations are becoming increasingly stringent and subject to rapid change and uncertain interpretation. Preparing for and complying with these obligations requires us to devote significant resources, and there is no guarantee that our compliance efforts to date, or in the future, will be deemed compliant or sufficient. These obligations may necessitate changes to our products and services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model. Our business model materially depends on our ability to process personal data in connection with our advertising offerings, so we are particularly exposed to the risks associated with the rapidly changing legal landscape regarding privacy, security, and data protection. For example, privacy regulators have targeted us and some of our competitors, including by investigating data processing activities and in the past have issued large fines to our competitors. Such investigations and enforcement actions may cause us to revise our business plans and operations. Moreover, we believe a number of investigations into other technology companies are currently being conducted by federal, state, and foreign legislative and regulatory bodies. We therefore are at heightened risk of regulatory scrutiny, as regulators focus their attention on data processing activities of companies like us, and any changes in the regulatory framework or enforcement actions, whether against us or our competitors, could require us to fundamentally change our business model, and seriously harm our business.

We have failed and in the future may fail, or be perceived to have failed, in our efforts to comply with our privacy, security, and data protection obligations. Moreover, despite our efforts, our personnel or third parties with whom we work have failed and may in the future fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with

applicable privacy, security, or data protection obligations, we could face significant consequences, including government enforcement actions (such as investigations, claims, audits, and penalties), litigation (including class action litigation) and mass arbitration demands, additional reporting requirements or oversight, bans on processing personal data, negative publicity, and orders to destroy or not use or transfer personal data. Certain regulators may prohibit our use of certain personal data as a result of enforcement actions or similar proceedings. Plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for substantial statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our business, including loss of users and advertisers, inability to process personal data or operate in certain jurisdictions, changes to our business practices, increased cost of operations, and declines in user growth, retention, or engagement, any of which could seriously harm our business.

We have in the past been subject to enforcement actions, investigations, proceedings, orders, or various government inquiries regarding our data privacy and security practices and processing. For example, in December 2014, the FTC resolved an investigation into some of our early practices by issuing a final order. That order requires, among other things, that we establish a robust privacy program to govern how we treat user data. During the 20-year term of the order, we must complete biennial independent privacy audits. Any violation of existing or future regulatory orders or consent decrees could subject us to substantial monetary fines and other penalties that could seriously harm our business. Following our designation as a very large online platform under the DSA in 2023, in March 2026, the European Commission opened formal proceedings to investigate our compliance with certain obligations under the DSA, including with respect to systemic risk assessments and related mitigation measures and protections for minors on Snapchat in the European Union. This investigation is at an early stage and we are cooperating with the European Commission, but it may result in findings that we have not complied with the DSA, the imposition of significant fines, and orders requiring us to implement additional or different measures, modify or cease certain product features or practices in the European Union, or otherwise change our business practices. Any such outcomes, or similar future investigations, could increase our compliance and operational costs, limit our ability to process personal data or offer certain features in affected markets, reduce user growth, retention, or engagement, lead to an increase in litigation in the region or otherwise materially and adversely affect our business, financial condition, results of operations, and reputation.

We, including through our partners, use and provide AI, including generative AI, in consumer-facing features of our products and services and in the operation of our business, which may result in legal liability and privacy and security risks which may adversely impact our business.

We, including through our partners, use and provide AI, including generative AI, in consumer-facing features of our products and services, such as My AI, and in the operation of our business. The development, deployment, training, use, safety, and personal data processing of AI presents various AI, privacy, and security risks that impact our business.

AI development, deployment, training, use, safety, and personal data processing is subject to new and evolving privacy and data security laws, as well as increasing AI laws and review by various federal, state, and foreign legislative and regulatory bodies. Further, countries and states are applying their data and consumer protection laws to AI technologies, and particularly generative AI and interactive chatbots. We and our partners are, have been, and could in the future be subject to governmental and regulatory investigations and inquiries relating to the use and operation of AI, including the use and provision of generative AI in our products and services. While such regulatory inquiries have not adversely impacted our business to date, given the current unsettled nature of the legal and regulatory environment surrounding AI, our or our partners' AI development, deployment, training, use, safety, and personal data processing of AI could subject us to further regulatory inquiries or actions, which could result in product restrictions, fines and penalties, equitable remedies such as requirements to retrain or disgorge our AI, as well as litigation and reputational harm, any of which could seriously harm our business and require us to expend significant resources. Such consequences, if imposed or threatened, may also make it harder for us to use and provide AI in our product and services, or internally in our business operations, which could seriously harm our business. Furthermore, certain enacted and proposed regulations related to AI could impose onerous obligations on our business, products, and services, including restrictions on or transparency obligations with respect to the training and use of AI-related systems, and obligations relating to labeling, detection and provenance of AI-generated content. If applicable, such obligations may, and in the case of the EU AI Act will, require us to change our products or business practices in order to comply. Separately, governmental authorities may also restrict or prohibit access to, or the use, deployment, distribution, or modification of, certain AI models or components, including models developed, hosted, or controlled by foreign entities, or impose additional requirements on open-source AI models or components. Individuals are also increasingly aware of and resistant to the use of their personal data in AI systems and for AI training, which could limit our and our partners' ability to develop, deploy, train, and ensure the safety of our AI

products and services, and if we fail to provide adequate transparency to users, we could lose the trust of our users, be subject to litigation or regulatory enforcement, or other harms to our business. Additionally, if our or our partners' AI products and services fail to perform as intended, or produce outputs that are illegal, harmful, toxic, misleading, inaccurate, or biased, or contain deepfakes or misinformation, infringe third party rights, or cause privacy or security incidents or safety-related harms, in addition to the risks above, our business and reputation may be harmed. There is also particular attention from federal, state, and foreign legislative and regulatory bodies regarding use of, and perceived harms of, AI by vulnerable populations, including teens, which has and could lead to laws and regulations that restrict our or our partners' ability to provide our products and services to certain groups, require material changes to our products and services or specific safety guarantees over AI outputs, or impose liability for the outputs of AI that may not be deterministic, any of which could be challenging to comply with, harm our business, require significant resources, or lead to litigation or fines.

We are also increasingly using third party AI platforms and tools, and open source AI to operate and accelerate our business. These third-party AI models, tools, and components may contain vulnerabilities or be compromised before or after integration, and we have limited visibility over their development, training, and security practices, such that a security failure in any one of them could have cascading effects across our products and systems. Because the development of AI tools for business, both internally and at our third party partners, is operating at an accelerated pace, and AI requires access and connections to large volumes of data (including sensitive information), we could experience misconfigurations, errors, bug, vulnerabilities, privacy incidents, security incidents, and AI-specific risks like prompt injection, all of which could result in litigation, regulatory investigations, or enforcements, and require us to expend significant resources, all of which could seriously harm our business. There is also no guarantee that these AI platforms and tools will provide the intended benefits to our business. We may also become operationally dependent on AI-enabled or agentic workflows used in our internal operations and product development. Because these tools may require access to large volumes of data and internal systems, they may take unintended actions, create unintended data movement or execution paths, or otherwise disrupt important workflows, including in ways that are difficult to predict, monitor, or remediate. In addition, if third-party AI providers change pricing, functionality, availability, security posture, or contractual terms, or if workflows tied to individual personnel access are not effectively transitioned, we may incur significant costs and business disruption in migrating, replacing, or decommissioning related workflows.

Our financial condition and results of operations will fluctuate from quarter to quarter, which makes them difficult to predict.

Our quarterly results of operations have fluctuated in the past and will fluctuate in the future. Additionally, we have a limited operating history with the current scale of our business, which makes it difficult to forecast our future results. As a result, you should not rely on our past quarterly results of operations as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving market segments. Our financial condition and results of operations in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- our ability to maintain and grow our user base and user engagement;
- the development and introduction of new or redesigned products or services by us or our competitors;
- the ability of our cloud service providers to scale effectively and timely provide the necessary technical infrastructure to offer our service;
- our ability to attract and retain advertisers in a particular period;
- seasonal or other fluctuations in spending by our advertisers and product usage by our users, each of which may change as our product offerings evolve or as our business grows or as a result of unpredictable events such as labor shortages and disruptions, supply chain disruptions, banking instability, inflationary pressures, fluctuating interest rates, recession risks, or geo-political conflicts;
- modifications or changes to our products and services by us, our partners, or other companies in our industry because of new and proposed laws and regulations, corporate strategy, or litigation;
- restructuring or other charges (including those related to our headcount reduction and reorganization plans announced in April 2026) and unexpected costs or other operating expenses;
- the number of advertisements shown to users;
- the pricing of our advertisements and other products;
- the effectiveness, and our ability to demonstrate to advertisers the effectiveness, of our advertisements;

- the diversification and growth of revenue sources beyond current advertising;
- increases in marketing, sales, research and development, and other operating expenses that we may incur to grow and expand our operations and to remain competitive;
- our ability to maintain operating margins, cash provided by operating activities, and Free Cash Flow;
- our ability to accurately forecast consumer demand for our physical products and adequately manage inventory;
- system failures or security incidents, and the costs associated with such incidents and remediations;
- inaccessibility of Snapchat, or certain features within Snapchat, due to third-party or governmental actions;
- stock-based compensation expense;
- our ability to effectively incentivize our workforce;
- adverse litigation judgments, settlements, or other litigation-related costs, or product recalls;
- changes in the legislative or regulatory environment, including with respect to privacy, rights of publicity, content, data protection, intellectual property, communication, health and safety, competition, protection of minors, consumer protection, employment, money transmission, import and export restrictions, gift cards, electronic funds transfers, anti-money laundering, advertising, algorithms, encryption, and taxation, enforcement by government regulators, including fines, orders, sanctions, tariffs and retaliatory countermeasures, or consent decrees, or the issuance of executive orders or other similar executive actions that may adversely affect our revenues or restrict our business;
- new privacy, data protection, and security laws and other obligations and increased regulatory scrutiny on our or our competitors' data processing activities and privacy and information security practices, including through enforcement actions potentially resulting in large penalties or other severe sanctions and increased restrictions on the data processing activities and personal data transfers critical to the operation of our current business model;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- fluctuations in the market values of our investment portfolio, including strategic investments, and interest rates or impairments of any assets on our consolidated balance sheet;
- changes in our effective tax rate;
- announcements by competitors of significant new products, licenses, or acquisitions;
- our ability to make accurate accounting estimates and appropriately recognize revenue for our products and from our partners;
- our ability to meet minimum spending commitments in agreements with our infrastructure providers;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- the effect of war or other armed conflict on our workforce, operations, or the global economy; and
- changes in domestic and global business or macroeconomic conditions, including as a result of inflationary pressures, fluctuating interest rates, banking instability, geo-political conflicts, tariffs and retaliatory countermeasures, terrorism, or responses to these events.

If we are unable to continue to maintain or successfully grow our user base and further monetize our products, our business will suffer.

We have made, and are continuing to make, investments to enable users, partners, and advertisers to create compelling content and deliver advertising to our users. Existing and prospective Snapchat users and advertisers may not be successful in creating content that leads to and maintains user engagement. We are continuously seeking to balance the objectives of our users and advertisers with our desire to provide an optimal user experience. We do not seek to monetize all of our products nor do we solely focus our efforts on users with higher ARPU, and we may not be successful in achieving a balance that continues to attract and retain users and advertisers. We focus on growing engagement across our service, and from time to time our efforts may reduce user activity with certain monetizable products in favor of other products we do not currently monetize. If we are not successful in our efforts to grow or effectively and timely monetize our user base, or if we are unable to build and maintain good relations with our advertisers, our user growth and user

engagement and our business may be seriously harmed. In addition, we may expend significant resources to launch new products that we are unable to monetize, which may seriously harm our business.

Additionally, we may not succeed in further monetizing Snapchat. We currently primarily monetize Snapchat by displaying advertisements sold by us and our partners. As a result, our financial performance and ability to grow revenue could be seriously harmed if:

- we fail to increase or maintain DAUs and MAUs;
- our user growth outpaces our ability to monetize our users, including if we don't attract sufficient advertisers or if our user growth occurs in markets that are not as monetizable;
- we fail to increase or maintain the amount of time spent on Snapchat, the amount of content that our users share, or the usage of our Camera, Visual Messaging, Snap Map, Stories, and Spotlight platforms;
- partners and users do not create sufficient engaging content for users or partners do not renew their agreements with us;
- we fail to attract sufficient advertisers to utilize our self-serve platform to make the best use of our advertising inventory;
- advertisers do not continue to introduce engaging advertisements;
- advertisers reduce their advertising on Snapchat;
- we fail to maintain good relationships with advertisers or attract new advertisers, or demonstrate to advertisers the effectiveness of advertising on Snapchat;
- the content on Snapchat does not maintain or gain popularity; or
- we fail to attract prospective subscribers to Snapchat+, retain existing subscribers, or effectively continue to monetize Snapchat+ and other products and services.

We cannot assure you that we will effectively manage our growth or changes to our business.

The growth and expansion of our business, headcount, and products create significant challenges for our management, including managing multiple relationships with users, advertisers, partners, and other third parties, and constrain operational and financial resources. If our operations or the number of third-party relationships continues to grow, our information-technology systems and our internal controls and procedures may not adequately support our operations and may require significant investments of time and capital to improve. In addition, some members of our management do not have significant experience managing large global business operations, so our management may not be able to manage such growth effectively. To effectively manage our growth, we must continue to improve our operational, financial, and management processes and systems and effectively expand, train, and manage our employee base. However, the actions we take to achieve such improvements may not have the intended effect and may instead result in disruptions, delays in new products, employee turnover, declines in revenue, and other adverse effects.

As we continue to adapt and update our business model and priorities and we are required to implement more complex organizational management structures, we may also find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. This could negatively affect our business performance and seriously harm our business.

We periodically make changes to our business and priorities. For example, in 2026, we undertook a restructuring of our business designed to further streamline our operations and reallocate resources toward our highest-priority initiatives, leveraging increased operational efficiencies to accelerate our path toward net-income profitability. As we continue to adapt and update our business model and priorities, we may make additional restructurings, reprioritizations, or workforce reductions in the future. Any such changes could disrupt our operations, increase costs, make it harder to service our users or customers, adversely impact employee retention, hiring, and morale, negatively impact our reputation, or distract management, any of which could seriously harm our business.

Our costs may increase faster than our revenue, which could seriously harm our business or increase our losses.

Providing our products to our users is costly, and we expect our expenses, including those related to people, research and development, and hosting, to grow in the future. This expense growth will continue as we broaden our user

base, as users increase the number of connections and amount of content they consume and share, as we develop and implement new product features that require more computing infrastructure or products that are not revenue generating, and as we grow our business. Historically, our costs have increased each year due to these factors, and we expect to continue to incur increasing costs. Our costs are based on development and release of new products and the addition of users and may not be offset by a corresponding growth in our revenue. We will continue to invest in our global infrastructure to provide our products quickly and reliably to all users around the world, including in countries where we do not expect significant short-term monetization, if any. Our expenses may be greater than we anticipate, and our investments to make our business and our technical infrastructure more efficient may not succeed and may outpace monetization efforts. In addition, we expect to increase marketing, sales, and other operating expenses, such as legal and insurance expenses, to grow and expand our operations, remain competitive, and respond to increasing litigation and regulatory matters. Increases in our costs without a corresponding increase in our revenue would increase our losses and could seriously harm our business and financial performance.

Our business depends on our ability to maintain and scale our technology infrastructure. Any significant disruption to our service could damage our reputation, result in a potential loss of users and decrease in user engagement, and seriously harm our business.

Our reputation and ability to attract, retain, and serve users depends on the reliable performance of Snapchat and our underlying technology infrastructure. We have in the past experienced, and may in the future experience, interruptions in the availability or performance of our products and services from time to time. Our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages caused by us or other service providers that could seriously harm our business. If Snapchat is unavailable when users attempt to access it, or if it does not load as quickly as they expect, users may not return to Snapchat as often in the future, or at all. As our user base and the volume and types of information shared on Snapchat grow, we will need an increasing amount of technology infrastructure, including network capacity and computing power, to continue to satisfy our users' needs which could significantly increase our costs. It is possible that we may fail to effectively scale and grow our technology infrastructure to accommodate these increased demands, or that improving our current technology infrastructure will require significant resources and delay or hinder the development of other products or services. In addition, our business is subject to interruptions, delays, and failures resulting from earthquakes, other natural disasters, geo-political conflicts, terrorism, pandemics, and other catastrophic events. Global climate change could also result in natural disasters occurring more frequently or with more intense effects, which could cause business interruptions. Wars or other armed conflicts could damage or diminish our access to our technology infrastructure or regional networks and disrupt our services, which could seriously harm our business and financial performance.

As discussed in these risk factors, substantially all of our network infrastructure is provided by third parties, including Google Cloud and AWS. We also rely on third parties for other technology related services, including certain AI functions. For example, we have in the past entered, and may in the future enter, into strategic partnerships to integrate third-party AI technologies into our platform. Third-party integrations subject us to several operational and financial risks, particularly as our partners' ability to scale their infrastructure to meet the demands of our global community remains unproven. If third-party AI providers experience service outages, significant latency, or otherwise fail to scale their systems to meet our traffic demands, users may experience a degraded version of our products and services, which could result in a negative user experience, decreased engagement, and a loss of trust. Furthermore, our ability to recognize revenue from such partnerships may be contingent on specific milestones and actions taken by us and our partners that may be outside of our direct control. These steps may not materialize as expected, on our projected timeline, or at all. In addition, if these partners do not meet their contractual obligations, alter or terminate arrangements, fail to pay, or if our relationships with such partners deteriorate, our business could be seriously harmed. Even if these milestones are reached and the revenue recognized, the integrated features may not deliver the experience we or our community expect. Any disruption or failure in the services we receive from these providers, including as a result of financial or other difficulties faced by these providers, could seriously harm our business.

We periodically augment and enhance our financial systems and we may experience difficulties in managing our systems and processes, which could disrupt our operations, the management of our finances, and the reporting of our financial results, which in turn, may result in our inability to manage the growth of our business and to accurately forecast and report our results, each of which could seriously harm our business.

Our business emphasizes rapid innovation and prioritizes long-term user engagement over short-term financial condition or results of operations. That strategy may yield results that sometimes don't align with the market's expectations. If that happens, our stock price may be negatively affected.

Our business is growing and becoming more complex, and our success depends on our ability to quickly develop and launch new and innovative products. We believe our culture fosters this goal. Our focus on innovations and quick reactions could result in unintended outcomes or decisions that are poorly received by our users, advertisers, or partners. We have made, and expect to continue to make, significant investments to develop and launch new products and services and we cannot assure you that users will purchase or use such new products and services in the future. We will also continue to attempt to find effective ways to show our community new and existing products and alert them to events, holidays, relevant content, and meaningful opportunities to connect with their friends. These methods may provide temporary increases in engagement that may ultimately fail to attract and retain users. Our culture also prioritizes our long-term user engagement over short-term financial condition or results of operations. We frequently make decisions that may reduce our short-term revenue or profitability if we believe that the decisions benefit the aggregate user experience and improve our financial performance over the long term. For example, we monitor how advertising on Snapchat affects our users' experiences to attempt to ensure we do not deliver too many advertisements to our users, and we may decide to decrease the number of advertisements to increase our users' satisfaction in the product. In addition, we improve Snapchat based on feedback provided by our users, advertisers, and partners. These decisions may not produce the long-term benefits that we expect, in which case our user growth, retention and engagement on our service or on certain platforms, our relationships with advertisers and partners, and our business could be seriously harmed.

Some of our software and systems contain open source software, which may pose particular risks to our proprietary applications.

We use software licensed to us by third-party developers under "open source" licenses in connection with the development or deployment of our products and expect to continue to use open source software in the future. Some open source licenses contain express requirements or impose conditions, which may be triggered under certain circumstances, with respect to the exploitation of proprietary source code or other intellectual property by users of open source software. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and to avoid using the open source software in a manner that would put our valuable proprietary source code at risk, there is a risk that we could have used, or may in the future use, open source software in a manner which could require us to release our proprietary source code to users of our software or to the public, require us to license our proprietary software for purposes of making modifications or derivative works, or prohibit us from charging fees for the use of our proprietary software. This could result in loss of revenue, and allow our competitors to create similar offerings with lower development costs, and ultimately could result in a loss of our competitive advantages. Furthermore, there is an increasing number of open source software license types, almost none of which have been tested in a court of law, resulting in limited guidance regarding the proper legal interpretation of such licenses and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our products. If we were to receive a claim of non-compliance with the terms of any of our open source licenses, we may be required to publicly release certain portions of our proprietary source code or expend substantial time and resources to re-engineer some or all of our software, which may divert resources away from our product development efforts and, as a result, adversely affect our business. In addition, we could be required to seek licenses from third parties to continue offering our products for certain uses, or cease offering the products associated with such software, which may be costly.

In addition, our use of open source software may present greater risks than use of other third-party commercial software, as open source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. To the extent that our e-commerce capabilities and other business operations depend on the successful and secure operation of open source software, any undetected or unremediated vulnerabilities, errors, or defects in open source software that we use could prevent the deployment or impair the functionality of our systems and injure our reputation. In addition, the public availability of such software may make it easier for others to compromise our systems. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have an adverse effect on our business.

If our users do not continue to contribute content or their contributions are not perceived as valuable to other users, we may experience a decline in user growth, retention, and engagement on Snapchat, which could result in the loss of advertisers and revenue.

Our success depends on our ability to provide Snapchat users with engaging content, which in part depends on the content contributed by our users. If users, including influential users such as world leaders, government officials,

celebrities, athletes, journalists, sports teams, media outlets, and brands, do not continue to contribute engaging content to Snapchat, our user growth, retention, and engagement may decline. That, in turn, may impair our ability to maintain good relationships with our advertisers or attract new advertisers, which may seriously harm our business.

Differing government initiatives and restrictions in regions in which our products and services are offered could seriously harm our business.

Foreign data protection, privacy, consumer protection, content regulation, and other laws and regulations are often more restrictive than those in the United States. In addition, federal, state, and local governments in the United States have taken increasingly divergent approaches to legislating, regulating, and taking enforcement action with respect to technologies that are related to our products and services, including considering or passing laws and regulations that are different than those applicable to other regions in the United States. Foreign governments may censor Snapchat in their countries, restrict access to Snapchat from their countries entirely, impose age-based restrictions on access to Snapchat, impose other restrictions that may affect their citizens' ability to access Snapchat for an extended period of time or even indefinitely, require data localization, or impose other laws or regulations that we cannot comply with, would be difficult for us to comply with, or would require us to rebuild or change our products or the infrastructure for our products, any of which could seriously harm our business. Federal, state, or local governments in the United States have taken and may continue to take similar steps. Such restrictions may also be implemented or lifted selectively to target or benefit other companies or products, which may result in sudden or unexpected fluctuations in competition in regions where we operate. In addition, geo-political conflicts may cause countries to target and restrict our operations, or to promote other companies' products in place of ours. Any restriction on access to Snapchat due to government actions or initiatives, or any withdrawal by us from certain countries or regions because of such actions or initiatives, or any increased competition due to actions and initiatives of governments would adversely affect our DAUs or MAUs, including by giving our competitors an opportunity to penetrate geographic markets that we cannot access or to which they previously did not have access. As a result, our user growth, retention, and engagement may be seriously harmed, and we may not be able to maintain or grow our revenue as anticipated and our business could be seriously harmed.

Our users may increasingly engage directly with our partners and advertisers instead of through Snapchat, which may negatively affect our revenue and seriously harm our business.

Using our products, some partners and advertisers not only can interact directly with our users but can also direct our users to content on third-party websites or downloads of third-party applications. In addition, our users may generate content by using Snapchat features, but then share, use, or post the content on a different platform. The more our users engage with third-party websites and applications, the less engagement we may get from them, which would adversely affect the revenue we could earn from them. Although we believe that Snapchat reaps significant long-term benefits from increased user engagement with content on Snapchat provided by our partners, these benefits may not offset the possible loss of advertising revenue, in which case our business could be seriously harmed.

If events occur that damage our brand or reputation, our business may be seriously harmed.

We have developed a brand that we believe has contributed to our success. We also believe that maintaining and enhancing our brand is critical to expanding our user base, advertisers, and partners. Because many of our users join Snapchat on the invitation or recommendation of a friend or family member, one of our primary focuses is on ensuring that our users continue to view Snapchat and our brand favorably so that these referrals continue. Maintaining and enhancing our brand will depend largely on our ability to continue to provide useful, novel, fun, reliable, trustworthy, and innovative products, which we may not do successfully. We may introduce new products, make changes to existing products and services, or require our users to agree to new terms of service related to new and existing products that users do not like, which may negatively affect our brand in the short-term, long-term, or both. Additionally, our partners' actions may affect our brand if users do not appreciate what those partners do on Snapchat or our other products and services. We may also fail to adequately support the needs of our users, advertisers, or partners, which could erode confidence in our brand. Maintaining and enhancing our brand may require us to make substantial investments and these investments may not be successful. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business may be seriously harmed.

In the past, we have experienced, and we expect that we will continue to experience, media, legislative, and regulatory scrutiny. Negative public perception regarding us (including regarding our privacy or security practices, products, corporate viewpoints, illicit use of our products, litigation, or employee matters, or regarding the actions of our founders, our partners, our users, or other companies in our industry) or unfavorable legislative, litigation, or regulatory

actions could seriously harm our reputation and brand, and result in decreased revenue, fewer application installs (or increased application un-installs), or declining engagement or growth rates. For example, we are currently facing several lawsuits alleging that we are liable for allowing users, including minors, to communicate with each other or criminal offenders, and that those communications sometimes result in harm. We have also received and expect to continue to receive a high degree of media coverage alleging the use of our products for illicit or objectionable ends. Parental or general public perception of our industry or Snapchat in particular could adversely affect the size, demographics, engagement, and loyalty of our user base, any of which could seriously harm our business.

Expanding and operating in international markets requires significant resources and management attention. If we are not successful in expanding and operating our business in international markets, we may incur significant costs, damage our brand, or need to lay off team members in those markets, any of which may seriously harm our business.

We have expanded to new international markets and are growing our operations in existing international markets, which may have very different cultures and commercial, legal, and regulatory systems than where we predominantly operate. In connection with our international expansion and growth, we also hire new team members in many of these markets. This international expansion may:

- impede our ability to continuously monitor the performance of all of our team members;
- result in hiring of team members who may not yet fully understand our business, products, and culture; or
- cause us to expand in markets that may lack the culture and infrastructure needed to adopt our products.

These issues may eventually lead to turnover or layoffs of team members in these markets and may harm our ability to grow our business in these markets. In addition, scaling our business to international markets imposes complexity on our business, and requires additional financial, legal, and management resources. We may not be able to manage growth and expansion effectively, which could damage our brand, result in significant costs, and seriously harm our business. For example, in recent years we undertook a broad strategic reprioritization to focus on our top priorities, improve cost efficiencies, and drive toward profitability and positive free cash flow. As we continue to adapt and update our business model and priorities, we may make additional restructurings, reprioritizations, or workforce reductions in the future. Any such changes could disrupt our operations, increase costs, make it harder to service our users or customers, adversely impact employee retention, hiring and morale, negatively impact our reputation, or distract management, any of which could seriously harm our business.

Additionally, because we have team members internationally, we are exposed to political, social, and economic instability in additional countries and regions, any of which could seriously harm our business.

Our products are highly technical and may contain undetected software vulnerabilities, bugs, hardware errors, or defects, which could manifest in ways that could seriously harm our reputation and our business.

Our products are highly technical and complex. Snapchat, our other products, or products we may introduce in the future, may contain undetected software bugs, hardware errors, and other vulnerabilities. These bugs and errors can manifest in any number of ways in our products, including through diminished performance, security, privacy, or safety vulnerabilities, malfunctions, regulatory violations, or even permanently disabled products. We have a practice of updating our products, but some errors in our products may be discovered only after a product has been released or shipped and used by users, and may in some cases be detected only under certain circumstances or after extended use. As we release SPECS AR glasses to a wider user base, we may also experience at scale new, novel, or unknown security bugs, vulnerabilities, and attacks in first and third party software, hardware, and components, which we may not be able to identify, prevent, or fix before or in a timely fashion after launch. Any errors, bugs, or vulnerabilities discovered in our products or code (particularly after release) could damage our reputation, result in a security, privacy, or safety incident (and attendant consequences), drive away users, lower revenue, and expose us to litigation claims or regulatory investigations or enforcement actions, any of which could seriously harm our business. We may also experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities.

SPECS AR glasses, as an eyewear product, is regulated by the U.S. Food and Drug Administration, or the FDA, and other regulatory agencies around the world, and may, as a result of a defect, result in physical harm to a user or others around the user. We offer some of our customers a limited warranty for our physical products, and any such defects discovered in our products after commercial release could result in costly remedial action and a loss of sales and users, which could seriously harm our business. Moreover, certain jurisdictions in which we operate require manufacturers of connected devices to comply with legal and contractual obligations that govern the way data generated by such connected

devices is shared and used. If we are unable to comply with these and other regulatory requirements affecting our products in a timely manner, or if we face technical difficulties in the implementation of some requirements, we could become subject to investigations and enforcement actions, which could require additional financial and management resources, and may result in costly sanctions against our company.

We may face claims for product liability, tort, or breach of warranty, or experience product recalls. For example, in the first quarter of 2024, we voluntarily decided to recall our Pixy drone product and refund consumers after determining that, in a very small number of cases, the batteries overheated. The product had been discontinued in August 2022. Our product contracts with users contain provisions relating to warranty disclaimers and liability limitations, which may not be upheld. In addition, our liability insurance coverage may prove inadequate or future coverage may be unavailable on acceptable terms or at all. The occurrence of any of these events could increase our costs, divert management attention, and seriously harm our reputation and our business.

We have been, are currently, and may in the future be subject to regulatory inquiries, investigations, and proceedings which could cause us to incur substantial costs or require us to change our business practices in a way that could seriously harm our business.

We have been, are currently, and may in the future be subject to inquiries, investigations, and proceedings instituted by government entities on a variety of topics, including data privacy, AI, safety, law enforcement, consumer protection, civil rights, content moderation, and the use of our platform for illegal purposes. Following our designation as a very large online platform under the DSA, the European Commission has opened formal proceedings to investigate Snapchat's compliance with certain obligations under the DSA, including with respect to systemic risk assessments and related mitigation measures and protections for minors in the European Union. We regularly report information about our business to federal, state, and foreign regulators in the ordinary course of operations and have, and may in the future, receive additional requests for information regarding our business practices. These actions, including any potential unfavorable outcomes, and our compliance with any associated regulatory orders, consent decrees, or settlements, may require us to change our products, product offerings and features, policies or practices, subject us to substantial monetary fines or other penalties or sanctions, result in increased operating costs, divert management's attention, harm our reputation, and require us to incur significant legal and other expenses, any of which could seriously harm our business. Further, regulatory findings of noncompliance, including findings by the European Commission, could encourage third parties to launch litigation and may, in some jurisdictions, improve claimants' prospects of success.

Additionally, we may be subject to evolving regulations regarding advertising, particularly those concerning minors, advertisers, and advertising auction and pricing practices, which vary across jurisdictions. In the U.S., the FTC and other regulators enforce strict standards against deceptive or unfair commercial practices. The future evolution of our advertising products may increase our exposure to regulatory scrutiny. If we are unable to implement models that comply with the diverse regulations in every jurisdiction, and if users disagree with our advertising policies, our brand and reputation may be harmed.

Any violation of existing or future regulatory orders or consent decrees, or new regulatory investigations or proceedings, could subject us to substantial monetary fines and other penalties that could seriously harm our business.

We are currently, and expect to be in the future, party to patent lawsuits and other intellectual property claims that are expensive and time-consuming. If resolved adversely, these lawsuits and claims could seriously harm our business.

Companies in the mobile, camera, communication, media, internet, artificial intelligence, augmented reality, and other technology-related industries own large numbers of patents, copyrights, trademarks, trade secrets, and other intellectual property rights, and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. In addition, various "non-practicing entities" and other entities that own patents, copyrights, trademarks, trade secrets, and other intellectual property rights often attempt to aggressively assert their rights to extract value from technology companies. Furthermore, from time to time we may introduce new products or make other business changes, including in areas where we currently do not compete, which could increase our exposure to patent, copyright, trademark, trade secret, and other intellectual property rights claims from competitors and non-practicing entities. We have been subject to, and expect to continue to be subject to, claims and legal proceedings from holders of patents, trademarks, copyrights, trade secrets, and other intellectual property rights alleging that some of our products or content infringe their rights. An unfavorable outcome in any of these lawsuits could seriously harm our business. Adverse results in these lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or orders preventing us from offering certain features, functionalities, products, or services. If these or other matters continue

in the future or we need to enter into licensing arrangements, which may not be available to us or on terms favorable to us, it may increase our costs and decrease the value of our products, and our business could be seriously harmed. If a third party does not offer us a license to its intellectual property on commercially reasonable terms, or at all, we may be required to develop, acquire or license alternative, non-infringing technology, which could require significant time, effort, and expense, and may ultimately not be successful. Any of these events would adversely affect our business.

For example, we may be, and other companies currently are, the subject of litigation in the United States and elsewhere alleging copyright infringement in connection with the acquisition, distribution, and use of copyrighted materials for AI training as well as potential reproduction of copyrighted materials in AI outputs. There can be no assurances that favorable final outcomes (e.g., that such actions will be considered fair use) will be obtained in these cases. In addition, plaintiffs may seek, and we may become subject to, preliminary or provisional rulings in the course of any such litigation, including potential preliminary injunctions requiring us to change or cease related features, functionalities, products, or services. We may decide to settle such lawsuits and disputes on terms that are unfavorable to us. Similarly, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that may not be reversed upon appeal. The terms of such a settlement or judgment may require us to change or cease some or all of our operations or pay substantial amounts to the other parties, including statutory damages to large numbers of copyright holders.

Moreover, we may not be aware if our platform is infringing, misappropriating, or otherwise violating third-party intellectual property rights, and third parties may bring claims alleging such infringement, misappropriation, or violation. Because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more of our products and there is also a risk that we could adopt a technology without knowledge of a pending patent application, which technology would infringe a third-party patent once that patent is issued. Moreover, the law continues to evolve and be applied and interpreted by courts in novel ways that we may not be able to adequately anticipate, and such changes may subject us to additional claims and liabilities. In a patent infringement claim against us, we may assert, as a defense, that we do not infringe the relevant patent claims, that the patent is invalid or both. The strength of our defenses will depend on the patents asserted, the interpretation of these patents and our ability to invalidate the asserted patents. However, we could be unsuccessful in advancing non-infringement or invalidity arguments in our defense. In the United States, issued patents enjoy a presumption of validity, and the party challenging the validity of a patent claim must present clear and convincing evidence of invalidity, which is a high burden of proof. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. Intellectual property claims, whether or not successful, could divert management time and attention away from our business and harm our reputation and financial condition. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on our business.

We are currently, and expect to be in the future, party to lawsuits contending that we should be legally responsible for content created by our users or harms experienced or perpetrated by our users. These lawsuits can be expensive and time-consuming. If resolved adversely, these lawsuits and claims could seriously harm our business.

We rely on a variety of Constitutional, statutory, and common-law frameworks that provide that we are not legally responsible for content created by our users, including the Digital Millennium Copyright Act, the Communications Decency Act, or CDA, the First Amendment, and the fair-use doctrine. However, these provisions, statutes, and doctrines are subject to uncertain judicial interpretation and regulatory and legislative amendments. For example, the U.S. Congress amended the CDA in 2018 in ways that could expose some Internet platforms to an increased risk of litigation. In addition, the U.S. Congress and the Executive branch have proposed further changes or amendments to the CDA each year since 2019 including, among other things, proposals that would narrow the scope of CDA protection, expand government enforcement power relating to content moderation concerns, or repeal the pertinent section of the CDA altogether. Some U.S. states have also enacted or proposed legislation that would undercut, or conflict with, the CDA's protections and implicate U.S. constitutional protections. Some of these state-specific laws grant individuals a private right of action to sue to enforce these laws, with statutory damages. Although such state laws have been or can be expected to be challenged in court, if these laws are upheld or if additional similar laws or the changes or amendments to the CDA proposed by the U.S. Congress and the Executive branch are enacted, such changes may decrease the protections provided by the CDA or previously accepted U.S. constitutional protections and expose us to lawsuits, penalties, and additional compliance obligations. If courts interpret the CDA more narrowly than they have historically done, this could expose us to additional lawsuits and potential judgments and seriously harm our business. Moreover, some of these statutes and doctrines that we rely on provide protection only or primarily in the United States. If the rules around these doctrines change, if international jurisdictions refuse to apply similar protections, or if a court were to disagree with our application of those rules to our

service, we could incur liability or be required to make significant changes to our products, business practices, or operations, and our business could be seriously harmed.

Notwithstanding these Constitutional, statutory, and common-law protections, we have faced, currently face, and will continue to face claims relating to information that is published or made available on our products, including Snapchat, and claims relating to online and offline harms that allegedly related to users' use of our products, including Snapchat. In particular, the nature of our business exposes us to claims related to defamation, intellectual property rights, rights of publicity and privacy, mass torts, public nuisance, unfair and deceptive business practices, unjust enrichment, and personal injury. For example, we do not monitor or edit the vast majority of content that is communicated through Snapchat, and such content has, and may in the future, expose us to lawsuits. Specifically, we are currently facing several lawsuits alleging that we are liable for allowing users to communicate with each other, and that those communications sometimes result in harm. For example, some of those plaintiffs have argued that we should be legally responsible for fentanyl overdoses or poisoning if communications about a drug transaction occurred on our platform, or for sexual exploitation if communications relating to that exploitation occurred on our platform.

In addition, we are one of several companies that have been named in various lawsuits alleging that the design and use of our platform, and those of our competitors, is addictive and harmful to users, with most of the cases focused on mental health harms and users under 18-years old. For more information on our ongoing legal proceedings, see "Part II Item 1. Legal Proceedings." We believe we have meritorious defenses to these lawsuits, but litigation is inherently uncertain. At this stage in the proceedings, we are unable to determine the probability of the outcome of these matters or the range of reasonably possible loss, if any.

Some of our competitors are involved in similar lawsuits and have been subject to liability verdicts at the trial court level and entered into significant settlements.

For example, in March 2026, a jury found Meta and YouTube liable for harm caused to a minor by the design of their products, and ordered the companies to pay a combined $6 million in damages. Also, in March 2026, a jury found Meta liable for $375 million in penalties in a lawsuit brought by the New Mexico attorney general under state consumer protection laws for allegedly misleading consumers about the safety of its platform and endangering children. A bench trial followed for public nuisance, abatement and injunctive relief resulting in an injunctive order directing changes to certain designs, features and operations of Facebook and Instagram, plus an additional $567 million in penalties.

In August 2026, Meta entered into a settlement with a coalition of state attorneys general, as well as a parallel settlement with the Texas attorney general, involving minimum payments of over $12 billion (and potentially over $18 billion if certain industry contingencies are met) as well as significant restrictions on the design, features and operation of Facebook and Instagram, including requirements relating to age verification, time limits, notifications and other features intended to address alleged harms to minors. Certain terms of the settlement are intended to establish standards to be adopted more broadly across the social media industry, including through potential settlements with other companies.

If Snap were subject to similar verdicts or settlements, we could be required to make substantial monetary payments and/or agree to significant changes to Snapchat, including requirements similar to those imposed on Meta. These requirements could limit our ability to develop, offer or monetize certain products and services, require significant changes to our existing products and services, increase our compliance and operating costs, reduce user engagement and adversely affect our ability to attract and retain users and advertisers. Our financial resources are substantially more limited than Meta's, and unfavorable outcomes could seriously harm our business. Additionally, the actions of certain participants in our industry may encourage or affect legal proceedings against us or cause us to reconsider our litigation strategies.

Restrictions may not apply uniformly across the industry or to all competing products and services, which could place us at a competitive disadvantage relative to companies or products or services not subject to comparable requirements. We cannot reliably predict whether or when we and/or others in our industry will become subject to such verdicts or settlements, or the nature or scope of any resulting obligations.

The legal actions against Snap, including any potential unfavorable outcomes, and our compliance with any associated court orders or settlements, may require us to change our policies, practices, or products, subject us to substantial monetary judgments, fines, penalties, or sanctions, result in increased operating costs, divert management's attention, harm our reputation, and require us to incur significant legal and other expenses, any of which could seriously harm our business. Even if the outcome of any such litigation or claim is favorable, defending against such lawsuits is

costly and can impose a significant burden on management and employees. We may also receive unfavorable preliminary, interim, or final rulings in the course of litigation.

This risk also exists in certain jurisdictions outside the United States where our protection from liability for certain third-party actions may be less than the protection that exists in the United States. For example, in April 2019, the European Union passed a directive expanding online platform liability for copyright infringement and regulating certain uses of news content online, which member states were required to implement by June 2021. In addition, legislation in Germany may impose significant fines for failure to comply with certain content removal and disclosure obligations. Numerous other countries in Europe, the Middle East, Asia-Pacific, and Latin America are considering or have implemented similar legislation imposing penalties for failure to remove certain types of content or follow certain processes.

We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages, or license costs. We could also face fines or orders restricting or blocking our services in particular geographies as a result of content hosted on our services. If any of these events occur, we may incur significant costs or be required to make significant changes to our products, business practices, or operations and our business could be seriously harmed.

From time to time, we are involved in class action lawsuits and other litigation matters that are expensive and time-consuming and could seriously harm our business.

We are involved in numerous lawsuits, including putative class action lawsuits and other aggregated claims brought on behalf of users and investors, some of which may claim statutory damages. We anticipate that we will continue to be a target for lawsuits, including putative class actions, aggregate claims and stockholder derivative lawsuits, in the future. Because we have millions of users, aggregated claims including class action lawsuits against us that are purportedly filed by or on behalf of users typically claim enormous monetary damages in the aggregate even if the alleged per-user harm could be small or non-existent. We experienced an increase in litigation and threatened claims in the United States and internationally related to the provision of our services, particularly to younger users, and expect to face similar litigation in the future, including as global youth-related privacy, and digital, artificial intelligence, and consumer protection regulation continues to evolve.

Similarly, because we have a large number of stockholders, class action lawsuits on securities theories typically claim enormous monetary damages in the aggregate even if the alleged loss per stockholder is small. For example, in August 2025, we, and certain of our officers, were named as defendants in a federal securities class action lawsuit in federal court purportedly brought on behalf of purchasers of our Class A common stock. The lawsuit alleges that we and certain of our officers made false or misleading statements concerning an ad platform change that impacted revenue in the first half of 2025. This lawsuit was voluntarily dismissed but could be re-filed.

We believe we have meritorious defenses to these lawsuits, and plan to defend them vigorously, but litigation is inherently uncertain and an unfavorable outcome, including substantial potential damages, penalties, fines and injunctive relief, could seriously harm our business. Any litigation to which we are a party may result in an onerous or unfavorable judgment that might not be reversed on appeal, or we may decide to settle lawsuits on adverse terms. Any such negative outcome could result in payments of substantial monetary damages or fines, or changes to our products or business practices, and seriously harm our business. Even if the outcome of any such litigation or claim is favorable, defending against such lawsuits is costly and can impose a significant burden on management and employees. We may also receive unfavorable preliminary, interim, or final rulings in the course of litigation.

We plan to continue expanding our international operations, including in markets where we have limited operating experience and may be subject to increased business and economic risks that could seriously harm our business.

We plan to continue expanding our business operations abroad and to enter new international markets and expand our operations in existing international markets, where in some cases we have limited or no experience in marketing, selling, and deploying our products and advertisements. Our limited experience and infrastructure in such markets, or the lack of a critical mass of users in such markets, may make it more difficult for us to effectively monetize any increase in DAUs and MAUs in those markets, and may increase our costs without a corresponding increase in revenue. If we fail to deploy or manage our operations in international markets successfully, our business may suffer. We do not currently enter into foreign currency exchange contracts, which means our business, financial condition, and operating results may be impacted by fluctuations in the exchange rates of the currencies in which we do business. In the future, as our international operations increase, or more of our revenue agreements or operating expenses are denominated in currencies other than the

U.S. dollar, these impacts may become material. In addition, as our international operations and sales continue to grow, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social, and economic instability, including war and other armed conflict, and significant political developments or disruptions in foreign jurisdictions;
- risks related to the legal and regulatory environment in foreign jurisdictions, including with respect to privacy, rights of publicity, content, data protection, cybersecurity, intellectual property, communication, health and safety, competition, protection of minors, consumer protection, employment, money transmission, import and export restrictions, gift cards, electronic funds transfers, anti-money laundering, advertising, algorithms, encryption, and taxation, and unexpected changes in laws, regulatory requirements, and enforcement;
- potential damage to our brand and reputation due to compliance with local laws, including potential censorship and requirements to provide user information to local authorities;
- fluctuations in currency exchange rates;
- higher levels of credit risk and payment fraud;
- complying with tax requirements of multiple jurisdictions;
- enhanced difficulties of integrating any foreign acquisitions;
- complying with a variety of foreign laws, including certain employment laws requiring national collective bargaining agreements that set minimum salaries, benefits, working conditions, and termination requirements;
- complying with a variety of foreign disclosure and reporting obligations, including those related to environmental, social, and corporate governance impacts and security breaches;
- reduced protection for intellectual-property rights in some countries;
- difficulties in staffing and managing global operations and the increased travel, infrastructure, and compliance costs associated with multiple international locations;
- regulations that might add difficulties in repatriating cash earned outside the United States and otherwise preventing us from freely moving cash;
- import and export restrictions and changes in trade agreements or regulations;
- complying with statutory equity requirements;
- complying with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and similar laws in other jurisdictions; and
- export controls and economic sanctions administered by the Department of Commerce Bureau of Industry and Security, the Treasury Department's Office of Foreign Assets Control, or other similar foreign regulatory bodies.

If we are unable to expand internationally and manage the complexity of our global operations successfully, our business could be seriously harmed.

We plan to continue to make acquisitions and strategic investments in other companies, which could require significant management attention, disrupt our business, dilute our stockholders, and seriously harm our business.

As part of our business strategy, we have made and intend to make acquisitions to add specialized team members and complementary companies, products, and technologies, as well as investments in public and private companies in furtherance of our strategic objectives. Our ability to acquire and successfully integrate larger or more complex companies, products, and technologies is unproven. In the future, we may not be able to find other suitable acquisition or investment candidates, and we may not be able to complete acquisitions or investments on favorable terms, if at all. Our previous and future acquisitions and investments may not achieve our goals, and any future acquisitions or investments we complete could be viewed negatively by users, advertisers, partners, or investors. In addition, if we fail to successfully close transactions, integrate new teams, or integrate the products, technologies, and systems associated with these acquisitions into our company, our business could be seriously harmed. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. For example, future or past business transactions could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. We may not successfully evaluate or use the acquired products, technology, and personnel, or accurately forecast the financial impact of an acquisition or

investment transaction, including accounting charges. We may also incur unanticipated liabilities and litigation exposure that we assume as a result of acquiring companies. We may have to pay cash, incur debt, or issue equity securities to pay for any acquisition or investment, any of which could seriously harm our business. Selling or issuing equity to finance or carry out any such acquisition or investment would also dilute our existing stockholders. Incurring debt would increase our fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

In addition, it generally takes several months after the closing of an acquisition to finalize the purchase price allocation. Therefore, it is possible that our valuation of an acquisition may change and result in unanticipated write-offs or charges, impairment of our goodwill, or a material change to the fair value of the assets and liabilities associated with a particular acquisition, any of which could seriously harm our business.

The strategic investments we make in public and private companies around the world range from early-stage companies still defining their strategic direction to mature companies with established revenue streams and business models. Many of the instruments in which we invest are non-marketable and illiquid at the time of our initial investment, and our ability to realize a return on our investment, if any, is typically dependent on the issuer participating in a liquidity event, such as a public offering or acquisition. We are not always able to achieve a return on our investments in a timely fashion, if at all, even for those companies that have achieved a liquidity event. To the extent any of the companies in which we invest are not successful, which can include failures to achieve business objectives as well as bankruptcy, we could recognize an impairment or lose all or part of our investment.

Our acquisition and investment strategy may not succeed if we are unable to remain attractive to target companies or expeditiously close transactions. For example, if we develop a reputation for being a difficult acquirer or having an unfavorable work environment, or target companies view our non-voting Class A common stock unfavorably, we may be unable to source and close acquisition targets. In addition, members of the U.S. administration and Congress have proposed new legislation, and the FTC and the DOJ have adopted new procedures, that could limit, hinder, or delay the acquisition process and target opportunities. If we are unable to consummate key acquisition transactions essential to our corporate strategy, it may limit our ability to grow or compete effectively and our business may be seriously harmed.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings, which could seriously harm our business.

Under U.S. generally accepted accounting principles, or GAAP, we review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. As of September 30, 2026, we had recorded a total of $1.9 billion of goodwill and intangible assets, net related to our acquisitions. An adverse change in market conditions, particularly if such change has the effect of changing one of our critical assumptions or estimates, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or intangible assets. Any such material charges may seriously harm our business.

Our use of equity awards to compensate and motivate our employees causes dilution to existing stockholders. Efforts to manage this dilution are likely to reduce the amount of cash we have available for other purposes.

We use equity awards that vest over multiple years to compensate and motivate our employees. When our employee equity awards vest, we typically withhold taxes and remit them, along with any employee and employer social security contributions, to relevant taxing authorities on behalf of team members and, where applicable, their employers.

While the issuance of stock-based compensation to our employees does not deplete our cash balance, it is dilutive to existing stockholders. To help manage and mitigate this dilution, we can choose to use our existing cash to fund the withholding and remittance obligations on equity awards when they vest (instead of selling a portion of the vested equity award on behalf of our employees), or engage in stock repurchases. However, doing so would reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate purposes and may increase stock price volatility. If we were to elect to satisfy tax withholding and remittance obligations in whole or in part by drawing on our revolving credit facility, or Credit Facility, our interest expense and principal repayment requirements could increase significantly, which could seriously harm our business.

There are numerous risks associated with our internal and contract manufacturing of our physical products and components. If we encounter problems with either our internal or contract manufacturing, we may not deliver our products within specifications or on time, which may seriously harm our business.

Manufacturing processes are highly complex, require advanced and costly equipment, and must be continuously modified to improve yields and performance. We largely rely on third-party suppliers and contract manufacturers in connection with the production of our own physical products and components. We and our contract manufacturers are all vulnerable to capacity constraints and reduced component availability, and have limited control over delivery schedules, manufacturing yields, and costs, particularly when components are in short supply, or if we introduce a new product or feature. In addition, we have limited control over our suppliers' and manufacturers' quality systems and controls, and therefore must rely on them to meet our quality and performance standards and specifications. Delays, component shortages, including custom components that are manufactured for us at our direction, global trade conditions and agreements, and other manufacturing and supply problems could impair the distribution of our products and ultimately our brand. For example, the United States has announced substantially higher tariffs on imports from several countries including China which, along with any retaliatory countermeasures, may adversely affect our products and seriously harm our business.

Furthermore, any adverse change in our suppliers' or contract manufacturers' financial or business condition or our relationship with them could disrupt our ability to supply our products. If we change our suppliers or contract manufacturers, or shift to more internal manufacturing operations, we may lose revenue, incur increased costs, and damage our reputation and brand. Qualifying and commencing operations with a new supplier or contract manufacturer is expensive and time-consuming. In addition, if we experience increased demand for our products, we may need to increase our material or component purchases, internal or contract-manufacturing capacity, and internal test and quality functions. The inability of our suppliers or contract manufacturers to provide us with adequate high-quality materials and products could delay our order fulfillment, and may require us to change the design of our products to meet this increased demand. Any redesign may require us to re-qualify our products with any applicable regulatory bodies or customers, which would be costly and time-consuming. This may lead to unsatisfied customers and users and increase costs to us, which could seriously harm our business. As we increase or acquire additional manufacturing capacity, we are subject to many complex and evolving environmental, health, and safety laws, regulations, and rules in each jurisdiction in which we operate. If we fail to comply with any such laws and regulations, then we could incur regulatory penalties, fines, and legal liabilities, suspension of production, significant compliance requirements, alteration of our manufacturing processes, or restrictions on our ability to modify or expand our facilities, any of which could seriously harm our business.

In addition, any errors or defects in any parts or technology incorporated into our products could result in product failures or recalls that could seriously harm our business. Further, any defect in manufacturing, design, or other could cause our products to fail or render them permanently inoperable. As a result of such product failures or recalls, we may have to replace or offer refunds for these products at our sole cost and expense, face litigation, including class action lawsuits, or be subject to other liabilities. Should we have a widespread problem of this kind, the reputational damage and the cost of replacing these products, or other liabilities, could seriously harm our business.

Some of our products are in regulated industries. Clearances to market regulated products can be costly and time-consuming, and we may not be able to obtain these clearances or approvals on a timely basis, or at all, for future products.

The Federal Communications Commission or the FCC, FDA and other state and foreign regulatory agencies regulate SPECS AR glasses. We may develop future products that are regulated as radiofrequency devices by the FCC, regulated as medical devices by the FDA or regulated by other governmental authorities around the world. Government authorities, primarily the FDA and corresponding regulatory agencies, regulate the medical device industry and other government authorities, primarily the FCC and corresponding regulatory agencies, regulate devices that emit radiofrequency radiation. Unless there is an exemption, we must obtain regulatory approval from the FCC and FDA and potentially from corresponding agencies, or other applicable governmental authorities around the world, before we can market or sell a new regulated product or make a significant modification to an existing product. Obtaining regulatory clearances to market a medical device or other regulated products can be costly and time-consuming, and we may not be able to obtain these clearances or approvals on a timely basis, or at all, for future products. Any delay in, or failure to receive or maintain, clearance or approval for any products under development could prevent us from launching new products. We could seriously harm our business and the ability to sell our products if we experience any product problems requiring reporting to governmental authorities, requiring corrective action in the field, or involving interruption in supply. Our business could be seriously harmed if we fail to comply with applicable federal, state, or foreign agency regulations, or

if we are subject to enforcement actions such as fines, civil penalties, injunctions, mandatory product recalls, or failure to obtain regulatory clearances or approvals.

Risks Related to Credit and Financing

We have offered and may continue to offer credit to our partners to stay competitive, and as a result we may be exposed to credit risk of some of our partners, which may seriously harm our business.

We engage in business with some of our partners on an open credit basis. While we attempt to monitor individual partner payment capability when we grant open credit arrangements and maintain allowances we believe are adequate to cover exposure for doubtful accounts, we cannot assure investors these programs will be effective in managing our credit risks in the future. This may be especially true as our business grows and expands, we engage with partners that have limited operating history, or we engage with partners that we may not be familiar with. If we are unable to adequately control these risks, our business could be seriously harmed.

Operating our business requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay the senior notes and convertible senior notes, and any other debt when due, which may seriously harm our business.

Our ability to make principal or interest payments on, or to refinance our senior notes due in 2033 and 2034, or collectively, the Senior Notes, and our convertible senior notes due in 2027, 2028, and 2030 (collectively, the Convertible Notes, and together with the Senior Notes, the Notes) and any other indebtedness depends on our future performance, which is subject to many factors beyond our control. Our business may not generate sufficient cash flow from operations in the future to service our debt and business. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, obtaining additional debt financing, or issuing additional equity securities, any of which may be on terms that are not favorable to us or, in the case of equity securities, highly dilutive to our stockholders. The outstanding Notes will begin maturing in May 2027, unless earlier converted, redeemed, or repurchased. Our ability to repay or refinance the Notes or our other indebtedness will depend on various factors, including the accessibility of capital markets, our business, and our financial condition at such time. We may not be able to engage in any of these activities or on desirable terms, which could result in a default on our debt obligations. In addition, our existing and future debt agreements, including our Credit Facility and the indentures governing the Convertible Notes, may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt, and would seriously harm our business. Our indebtedness could also, among other things:

- make it difficult for us to pay other obligations;
- make it difficult to obtain favorable terms for any necessary future financing for working capital, capital expenditures, debt service requirements, or other purposes;
- adversely affect our liquidity and result in a material adverse effect on our financial condition upon repayment of the indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to service and repay the indebtedness, reducing the amount of cash flow available for other purposes;
- limit our flexibility in planning for and reacting to changes in our business;
- increase our vulnerability to the impact of adverse economic conditions, including rising interest rates (which can make refinancing existing indebtedness more difficult or costly); and
- negatively impact our credit rating, which could limit our ability to obtain additional financing in the future and adversely affect our business.

In addition, holders of the Senior Notes have the right to require us to repurchase all or a portion of the Senior Notes on the occurrence of specific kinds of change of control events at a repurchase price equal to 101% of the principal amount of the Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the change of control repurchase date, and holders of the Convertible Notes have the right to require us to repurchase all or a portion of the Convertible Notes on the occurrence of a fundamental change at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. Further, if a make-whole fundamental change as defined in each of the indentures governing the Convertible Notes, or the Indentures, occurs prior to the maturity date of the Convertible Notes, we will in

some cases be required to increase the conversion rate for a holder that elects to convert its Convertible Notes in connection with such make-whole fundamental change. On the conversion of the Convertible Notes, unless we elect to deliver solely shares of our Class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments for the Convertible Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make such repurchases of the Convertible Notes surrendered or pay cash with respect to the Convertible Notes being converted.

If we default on our credit obligations, our operations may be interrupted and our business could be seriously harmed.

We have a Credit Facility that we may draw on to finance our operations, acquisitions, and other corporate purposes. If we default on these credit obligations, our lenders may:

- require repayment of any outstanding amounts drawn on our Credit Facility;
- terminate our Credit Facility; or
- require us to pay significant damages.

If any of these events occur, our operations may be interrupted and our ability to fund our operations or obligations, as well as our business, could be seriously harmed. In addition, our Credit Facility contains operating covenants, including customary limitations on the incurrence of certain indebtedness and liens, restrictions on certain intercompany transactions, and limitations on the amount of dividends and stock repurchases. Our ability to comply with these covenants may be affected by events beyond our control, and breaches of these covenants could result in a default under our Credit Facility and any future financial agreements into which we may enter. If not waived, defaults could cause our outstanding indebtedness under the Notes or our Credit Facility, including any future financing agreements that we may enter into, to become immediately due and payable. For more information on our Credit Facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

We cannot be certain that additional financing will be available on reasonable terms when needed, or at all, which could seriously harm our business.

We have historically incurred net losses and negative cash flow from operations, and we may not attain and sustain profitability in future periods. As a result, we may need additional financing. Our ability to obtain additional financing, if and when required, will depend on investor demand, our operating performance, our credit rating and/or the rating of our debt, the condition of the capital markets, and other factors. To the extent we use available funds or draw on our Credit Facility, we may need to raise additional funds and we cannot assure investors that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked, or debt securities, those securities may have rights, preferences, or privileges senior to the rights of our Class A common stock, and our existing stockholders may experience dilution. In the event that we are unable to obtain additional financing on favorable terms, our interest expense and principal repayment requirements could increase significantly, which could seriously harm our business. In addition, our ability to draw on our Credit Facility relies on our lenders under that facility's continued operation and ability to fund.

Risks Related to Taxes

Existing, new, and proposed tax laws and regulations that would affect the U.S. or foreign taxation of business activities, including the imposition of, or increase in, taxes based on gross revenue or users, could seriously harm our business, the financial markets, and the market price of our Class A common stock.

Reforming the taxation of international businesses has been a priority for policy makers at a global level, and a wide variety of changes have been proposed or enacted. Due to the large and expanding scale of our international business activities, any changes in the taxation of such activities may increase our tax expense, the amount of taxes we pay, or both, and seriously harm our business. Legislation commonly referred to as the One Big Beautiful Bill Act, or the OBBBA, enacted in 2025, the Inflation Reduction Act, or the IRA, enacted in 2022, and the Tax Cuts and Jobs Act enacted in 2017, made many significant changes to the U.S. Internal Revenue Code of 1986, as amended, or the Code. For example, the Tax Cuts and Jobs Act required taxpayers to capitalize and amortize U.S.-based and non-U.S.-based research and experimental, or R&E, expenditures, over five and fifteen years, respectively. The OBBBA restored the deductibility of domestic R&E expenditures in the year incurred for tax years beginning after December 31, 2024, but retained the capitalization and amortization requirement for foreign R&E expenditures. In addition, the provisions of the IRA include a minimum tax equal to 15% of the adjusted financial statement income of certain large corporations, as well as a 1% excise tax on certain

share buybacks by public corporations that is imposed on such corporations. Future guidance from the Internal Revenue Service and other tax authorities with respect to any legislation may affect us, and certain aspects of such legislation could be repealed or modified in future legislation or sunset in future years. It is possible that changes in or interpretations under the OBBBA, the Tax Cuts and Jobs Act, the IRA, or other tax legislation, or the enactment of new tax legislation, could increase our future tax liability, which could in turn adversely impact our business and future profitability.

In addition, many jurisdictions and intergovernmental organizations have implemented or are in the process of implementing proposals that have changed (or are likely to change) various aspects of the existing framework under which our tax obligations are determined in many of the jurisdictions in which we do business and in which our users are located. In addition, tax authorities may seek to apply existing indirect tax regimes, including sales, use, or value-added taxes, to digital advertising, software, or platform activities in novel or expansive ways. Some jurisdictions have enacted, in some cases with retroactive effect, and others have proposed, taxes on digital services that are based on gross receipts generated from, or other metrics relating to, users or customers in those jurisdictions, regardless of profitability. In addition, the Organisation for Economic Co-operation and Development, or the OECD, has led international efforts to devise and implement a two-pillar solution to address the tax challenges arising from the digitalization of the economy. The implementation of this solution involves, among other measures, the imposition of a minimum effective tax rate on certain multinational enterprises, referred to as Pillar Two. A number of countries, including the United Kingdom, have enacted legislation to implement core elements of Pillar Two, and further implementation is ongoing. The OECD has issued (and is expected to continue to issue further) administrative guidance providing transition and safe harbor rules in relation to the implementation of Pillar Two. For example, in January 2026, the OECD published details of a "side-by-side" arrangement providing for, among other things, additional safe harbors for multinational groups headquartered in certain qualifying jurisdictions, subject to eligibility requirements and implementation by relevant jurisdictions. While the Pillar Two rules have not yet resulted in a material change to our income tax provision, their ongoing implementation could, subject to our eligibility to qualify for any safe harbor rules (including under the "side-by-side" arrangement), impact the amount of tax we have to pay and cause us to incur additional material costs and expenditures in the future to ensure compliance with any such rules in each of the relevant jurisdictions within which we carry on our business.

We continue to evaluate the impact that these and other tax reforms may have on our business. The impact of these and other tax reforms is uncertain and one or more of these or similar measures could seriously harm our business.

We may have exposure to greater-than-anticipated tax liabilities, which could seriously harm our business.

Our income tax obligations are based on our corporate operating structure and third-party and intercompany arrangements, including the manner in which we develop, value, and use our intellectual property and the valuations of our intercompany transactions. The tax laws applicable to our international business activities, including the laws of the United States and other jurisdictions, are subject to change and uncertain interpretation. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology, intercompany arrangements, or transfer pricing, which could increase our worldwide effective tax rate and the amount of taxes we pay and seriously harm our business. Taxing authorities may also determine that the manner in which we operate our business is not consistent with how we report our income, which could increase our effective tax rate and the amount of taxes we pay and seriously harm our business. In addition, our future income taxes could fluctuate because of earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles. We are subject to regular review and audit by U.S. federal and state and foreign tax authorities. Any adverse outcome from a review or audit could seriously harm our business. In addition, determining our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements for such periods and may seriously harm our business.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited, each of which could seriously harm our business.

As of December 31, 2025, we had U.S. federal net operating loss carryforwards of approximately $6.5 billion, U.S. state net operating loss carryforwards of approximately $4.4 billion, U.K. net operating loss carryforwards of approximately $4.9 billion, and Singapore net operating loss carryforwards of approximately $420.0 million. We also accumulated U.S. federal and state research tax credits of $1.0 billion and $574.8 million, respectively, as of December 31, 2025. Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," the corporation's ability

to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income and taxes may be limited. In general, an "ownership change" occurs if there is a cumulative change in ownership by "5% shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar ownership change rules may apply under U.S. state tax laws, as well as in the United Kingdom and other jurisdictions where we have loss carryforwards. In the event that we experience one or more ownership changes as a result of transactions in our stock, then we may be limited in our ability to use our net operating loss carryforwards and other tax assets to reduce taxes owed on the net taxable income that we earn.

For U.S. federal income tax purposes, net operating losses arising in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the ability to utilize such net operating loss carryforwards to offset taxable income in a tax year may not exceed 80% of the taxable income in such year. Certain U.S. states have imposed additional limitations on the use of state net operating loss carryforwards. U.S. federal research tax credits can be carried forward to the earlier of the next subsequent twenty tax years or until such credits are fully utilized, and use of those credits generally cannot exceed 75% of the net income tax liability for such tax year. In the United Kingdom, net operating loss carryforwards can be carried forward indefinitely; however, use of such carryforwards in a given year is generally limited to 50% of such year's taxable income. In Singapore, net operating loss carryforwards can also be carried forward indefinitely and are not subject to a taxable income limitation.

Any limitation on the ability to use our net operating loss carryforwards and other tax assets, as well as the timing of any such use, could seriously harm our business.

Our operating results may be negatively affected if we are required to pay additional sales and use tax, value added tax, digital services tax, or other transaction taxes, and we could be subject to liability with respect to a portion of past or future sales.

We currently collect and remit sales and use, value added and other transaction taxes in certain of the jurisdictions where we do business based on our assessment of the amount of taxes owed by us in such jurisdictions. However, in some jurisdictions in which we do business, we do not believe that we owe such taxes, and therefore we currently do not collect and remit such taxes in those jurisdictions or record contingent tax liabilities in respect of those jurisdictions. A successful assertion that we are required to pay additional taxes in connection with sales of our products and solutions, or the imposition of new laws or regulations or the interpretation of existing laws and regulations requiring the payment of additional taxes, would result in increased costs and administrative burdens for us. If we are subject to additional taxes, including digital services taxes, and determine to offset such increased costs by collecting and remitting such taxes from our customers, or otherwise passing those costs through to our customers, companies may be discouraged from purchasing our products and solutions. Any increased tax burden may decrease our ability or willingness to operate in relatively burdensome tax jurisdictions, result in substantial tax liabilities related to past or future sales or otherwise seriously harm our business.

Risks Related to Ownership of Our Class A Common Stock

Holders of Class A common stock have no voting rights. As a result, holders of Class A common stock will not have any ability to influence stockholder decisions.

Class A common stockholders have no voting rights, unless required by Delaware law. As a result, all matters submitted to stockholders will be decided by the vote of holders of Class B common stock and Class C common stock. As of September 30, 2026, Mr. Spiegel and Mr. Murphy control over 99% of the voting power of our capital stock, and Mr. Spiegel alone may exercise voting control over our outstanding capital stock. Mr. Spiegel and Mr. Murphy voting together, or in many instances, Mr. Spiegel acting alone, will have control over all matters submitted to our stockholders for approval. In addition, because our Class A common stock carries no voting rights (except as required by Delaware law), the issuance of the Class A common stock in future offerings, in future stock-based acquisition transactions, or pursuant to employee equity incentive programs has no dilutive or other impact on the duration of Mr. Spiegel's and Mr. Murphy's current relative ownership of our voting power and their ability to elect certain directors and to determine the outcome of all matters submitted to a vote of our stockholders. This concentrated control eliminates other stockholders' ability to influence corporate matters and, as a result, we may take actions that our stockholders do not view as beneficial. As a result, the market price of our Class A common stock could be adversely affected.

Our capital structure may adversely impact our stock price.

Although other U.S.-based companies have publicly traded classes of non-voting stock, to our knowledge, we were the first company to only list non-voting stock on a U.S. stock exchange. Some indexes have since determined that they will exclude non-voting stock, like our Class A common stock, from their membership. For example, FTSE Russell, a provider of widely followed stock indexes, requires new constituents of its indexes to have at least five percent of their voting rights in the hands of public stockholders. As a result, our Class A common stock is not eligible for FTSE Russell or other stock indexes with these or similar restrictions. We cannot assure you that other stock indexes will not take a similar approach to FTSE Russell in the future. Exclusion from indexes could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected. Additionally, the exclusion of our Class A common stock from these indexes may limit the types of investors who invest in our Class A common stock and could make the trading price of our Class A common stock more volatile.

Because our Class A common stock is non-voting, we and our stockholders are exempt from certain provisions of U.S. securities laws. This may limit the information available to holders of our Class A common stock.

Because our Class A common stock is non-voting, significant holders of our common stock are exempt from the obligation to file reports under Sections 13(d), 13(g), and 16 of the Exchange Act. These provisions generally require periodic reporting of beneficial ownership by significant stockholders, including changes in that ownership. For example, we believe that Tencent Holdings Limited, together with its affiliates, may hold greater than 10% of our Class A common stock based in part on Tencent Holdings Limited's public reporting. As a result of our capital structure, holders are not obligated to disclose changes in ownership of our Class A common stock, so there can be no assurance that you, or we, will be notified of any such changes. Our directors and officers are required to file reports under Section 16 of the Exchange Act. Our significant stockholders, other than directors and officers, are exempt from the "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. As such, stockholders will be unable to bring derivative claims for disgorgement of profits for trades by significant stockholders under Section 16(b) of the Exchange Act unless the significant stockholders are also directors or officers.

Since our Class A common stock is our only class of stock registered under Section 12 of the Exchange Act and that class is non-voting, we are not required to file proxy statements or information statements under Section 14 of the Exchange Act, unless a vote of the Class A common stock is required by applicable law. Accordingly, legal causes of action and remedies under Section 14 of the Exchange Act for inadequate or misleading information in proxy statements may not be available to holders of our Class A common stock. If we do not deliver any proxy statements, information statements, annual reports, and other information and reports to the holders of our Class B common stock and Class C common stock, then we will similarly not provide any of this information to holders of our Class A common stock. Because we are not required to file proxy statements or information statements under Section 14 of the Exchange Act, any proxy statement, information statement, or notice of our annual meeting may not include all information under Section 14 of the Exchange Act that a public company with voting securities registered under Section 12 of the Exchange Act would be required to provide to its stockholders. Most of that information, however, will be reported in other public filings. For example, any disclosures required by Part III of Form 10-K as well as disclosures required by the NYSE for the year ended December 31, 2025 that are customarily included in a proxy statement are instead included in our Annual Report. But some information required in a proxy statement or information statement is not required in any other public filing. For example, we are not required to comply with the proxy access rules or the "pay versus performance" disclosure rules under Section 14 of the Exchange Act. If we take any action in an extraordinary meeting of stockholders where the holders of Class A common stock are not entitled to vote, we will not be required to provide the information required under Section 14 of the Exchange Act. Nor will we be required to file a preliminary proxy statement under Section 14 of the Exchange Act. Since that information is also not required in a Form 10-K, holders of Class A common stock may not receive the information required under Section 14 of the Exchange Act with respect to extraordinary meetings of stockholders. In addition, we are not subject to the "say-on-pay" and "say-on-frequency" provisions of the Dodd–Frank Act. As a result, our stockholders do not have an opportunity to provide a non-binding vote on the compensation of our executive officers. Moreover, holders of our Class A common stock will be unable to bring matters before our annual meeting of stockholders or nominate directors at such meeting, nor can they submit stockholder proposals under Rule 14a-8 of the Exchange Act.

The trading price of our Class A common stock has been and will likely continue to be volatile.

The trading price of our Class A common stock has been and is likely to continue to be volatile. From October 1, 2024 to September 30, 2026, the trading price of our Class A common stock ranged from $3.81 to $13.28. Declines or volatility in our trading price could make it more difficult to attract and retain talent, adversely impact employee retention and morale, and has required, and may continue to require, us to issue more equity to incentivize team members which is

likely to dilute stockholders. The market price of our Class A common stock may fluctuate or decline significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our user growth, retention, engagement, revenue, or other operating results;
- variations between our actual operating results and the expectations of investors and the financial community;
- the accuracy of our financial guidance or projections;
- any forward-looking financial or operating information we may provide, any changes in this information, or our failure to meet expectations based on this information;
- actions of investors who initiate or maintain coverage of us, changes in financial estimates by any investors who follow our company, or our failure to meet these estimates or the expectations of investors;
- significant acquisitions or divestitures of our stock by investors, whether voluntarily or to comply with regulatory or other requirements;
- whether our capital structure is viewed unfavorably, particularly our non-voting Class A common stock and the significant voting control of our co-founders;
- additional shares of our common stock being sold into the market by us or our existing stockholders, or the anticipation of such sales, including if we issue shares to satisfy equity-related tax obligations;
- stock repurchase programs, or repurchases of the Convertible Notes, undertaken by us;
- announcements by us or our competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- announcements by us or estimates by third parties of actual or anticipated changes in the size of our user base or the level of user engagement;
- changes in operating performance and stock market valuations of technology companies in our industry segment, including our partners and competitors;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole, inflationary pressures, tariffs and retaliatory countermeasures, fluctuating interest rates, banking instability, war or other armed conflict, terrorism, or responses to these events;
- lawsuits threatened or filed against us;
- developments in new legislation and pending lawsuits, executive actions, or regulatory actions, including interim or final rulings by judicial or regulatory bodies, whether such developments may impact us or our peers; and
- other events or factors, including those resulting from war, incidents of terrorism, pandemics, or responses to these events.

In addition, extreme price and volume fluctuations in the stock markets have affected and continue to affect many technology companies' stock prices, including ours. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the companies' operating performance. In the past, stockholders have filed securities class action litigation following periods of market volatility. In August 2025, we, and certain of our officers, were named as defendants in a federal securities class action lawsuit in federal court purportedly brought on behalf of purchasers of our Class A common stock. The lawsuit alleges that we and certain of our officers made false or misleading statements concerning an ad platform change that impacted revenue in the first half of 2025. Plaintiffs seek monetary damages and other relief. In December 2025, the plaintiffs voluntarily dismissed the case which may be refiled in the future. Any litigation could subject us to substantial costs, divert resources and the attention of management from our business, and seriously harm our business.

We may not realize the anticipated long-term stockholder value of any stock repurchase program undertaken by us and any failure to repurchase our Class A common stock after we have announced our intention to do so may negatively impact our stock price.

Our board of directors has in the past and may from time to time in the future authorize stock repurchase programs, pursuant to which repurchases of Class A common stock may be made either through open market transactions (including pre-set trading plans) or through other transactions in accordance with applicable securities laws. Any repurchase programs may be modified, suspended, or terminated at any time. Any failure to repurchase stock after we have

announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price.

The existence of a stock repurchase program could cause our stock price to trade higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Although stock repurchase programs are intended to enhance long-term stockholder value, there is no assurance they will do so because the market price of our Class A common stock may decline below the levels at which we repurchased shares and short-term stock price fluctuations could reduce the effectiveness of any such program.

Repurchasing our Class A common stock reduces the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate purposes, and we may fail to realize the anticipated long-term stockholder value of any stock repurchase program.

Conversions or exchanges of the Convertible Notes may dilute the ownership interest of our stockholders or may otherwise affect the market price of our Class A common stock.

The conversion of some or all of the Convertible Notes may dilute the ownership interests of our stockholders. On conversion of the Convertible Notes, we have the option to pay or deliver, as the case may be, cash, shares of our Class A common stock, or a combination of cash and shares of our Class A common stock. If we elect to settle our conversion obligation in shares of our Class A common stock or a combination of cash and shares of our Class A common stock, any sales in the public market of our Class A common stock issuable on such conversion could adversely affect prevailing market prices of our Class A common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our Class A common stock, any of which could depress the market price of our Class A common stock.

We have in the past and may continue to engage in exchanges, repurchases, or induced conversions of the Convertible Notes. Holders of the Convertible Notes that participate in any of these exchanges, repurchases, or induced conversions may enter into or unwind various derivatives with respect to our Class A common stock or sell shares of our Class A common stock in the open market to hedge their exposure in connection with these transactions. These activities could decrease (or reduce the size of any increase in) the market price of our Class A common stock or the Convertible Notes, or dilute the ownership interests of our stockholders. In addition, the market price of our Class A common stock is likely to be affected by short sales of our Class A common stock or the entry into or unwind of economically equivalent derivative transactions with respect to our Class A common stock by investors that do not participate in the exchange transactions and by the hedging activity of the counterparties to our capped call transactions entered into in connection with the pricing of our Convertible Notes or their respective affiliates. Furthermore, repurchases of the Convertible Notes reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate purposes.

We may still incur substantially more debt or take other actions that would diminish our ability to make payments on the Notes when due. Our ability to repay our debt depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control.

We and our subsidiaries may incur substantial additional debt in the future, subject to the restrictions contained in our current and future debt instruments. We are not restricted under the terms of the indentures governing the Notes from incurring additional debt, securing existing or future debt, repurchasing our stock, making investments, paying dividends, recapitalizing our debt, or taking a number of other actions that could have the effect of diminishing our ability to make payments on the Notes when due.

Our ability to pay our debt when due or to refinance our indebtedness, including the Notes, depends on our financial condition at such time, the condition of capital markets, and our future performance, which is subject to economic, financial, competitive, and other factors beyond our control.

The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

The Convertible Notes are convertible at the option of the holder. In the event the conditions for optional conversion of the Convertible Notes due in 2027, 2028, or 2030 are met before the close of business on the business day

immediately preceding February 1, 2027, December 1, 2027, or February 1, 2030, respectively, holders of the applicable Convertible Notes will be entitled to convert the Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we may settle all or a portion of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital and may seriously harm our business.

We entered into certain hedging positions that may affect the value of the Convertible Notes and the volatility and value of our Class A common stock.

In connection with the issuance of the Convertible Notes, we entered into certain hedging positions with certain financial institutions. These hedging positions are expected generally to reduce potential dilution of our Class A common stock on any conversion of the Convertible Notes or offset any cash payments we are required to make in excess of the principal amount of such converted Convertible Notes, as the case may be, with such reduction or offset subject to a cap.

The counterparties to these hedging positions or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock or purchasing or selling our Class A common stock in secondary market transactions prior to the maturity of the Convertible Notes (and are likely to do so during any observation period related to a conversion of the Convertible Notes or following any repurchase of the Convertible Notes by us on any fundamental change repurchase date or otherwise). This activity could cause or avoid an increase or a decrease in the market price of our Class A common stock or the Convertible Notes. In addition, if any such hedging positions fail to become effective, the counterparties to these hedging positions or their respective affiliates may unwind their hedge positions, which could adversely affect the value of our Class A common stock.

Delaware law and provisions in our certificate of incorporation and bylaws, as well as our Indentures, could make a merger, tender offer, or proxy contest difficult or more expensive, thereby depressing the trading price of our Class A common stock.

Our certificate of incorporation and bylaws contain provisions that could depress the trading price of our Class A common stock by acting to discourage, delay, or prevent a change of control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions include the following:

- our certificate of incorporation provides for a tri-class capital structure. As a result of this structure, Mr. Spiegel and Mr. Murphy control all stockholder decisions, and Mr. Spiegel alone may exercise voting control over our outstanding capital stock. This includes the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets. This concentrated control could discourage others from initiating any potential merger, takeover, or other change-of-control transaction that other stockholders may view as beneficial. As noted above, the issuance of the Class A common stock dividend, and any future issuances of Class A common stock dividends, could have the effect of prolonging the influence of Mr. Spiegel and Mr. Murphy on the company;
- our board of directors has the right to elect directors to fill a vacancy created by the expansion of our board of directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- our certificate of incorporation prohibits cumulative voting in the election of directors. This limits the ability of minority stockholders to elect directors; and
- our board of directors may issue, without stockholder approval, shares of undesignated preferred stock. The ability to issue undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

Any provision of our certificate of incorporation, bylaws, or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Furthermore, certain provisions in the Indentures governing the Convertible Notes may make it more difficult or expensive for a third party to acquire us. For example, the Indentures require us, at the holders' election, to repurchase the

Convertible Notes for cash on the occurrence of a fundamental change and, in certain circumstances, to increase the conversion rate for a holder that converts its Convertible Notes in connection with a make-whole fundamental change. A takeover of us may trigger the requirement that we repurchase the Convertible Notes or increase the conversion rate, which could make it more costly for a third party to acquire us. The Indentures also prohibit us from engaging in a merger or acquisition unless, among other things, the surviving entity assumes our obligations under the Convertible Notes and the Indentures. These and other provisions in the Indentures could deter or prevent a third party from acquiring us even when the acquisition may be favorable to holders of the Convertible Notes or our stockholders.

Our business could be negatively impacted as a result of stockholder activism.

We regularly engage with stockholders to strengthen our company and enhance long-term value. However, publicly traded companies are increasingly subject to campaigns by activist stockholders advocating for corporate actions such as governance, operational and strategic changes. We have been, and may again be, subject to stockholder activism and the corporate actions advocated by any such activist stockholder may not align with our current business strategies and the best interests of all of our stockholders. The actions of activist stockholders may cause fluctuations in the market price of our Class A common stock based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals or prospects of our business. In addition, responding to the actions of activist stockholders can be costly and time-consuming, disrupting our business and diverting the attention of our board of directors and management from pursuing our business strategies.

Future sales of shares by existing stockholders could cause our stock price to decline.

If our existing stockholders, including employees and service providers who obtain equity, sell, or indicate an intention to sell, substantial amounts of our Class A common stock in the public market, the trading price of our Class A common stock could decline. As a result of our capital structure, holders who are not required to file reports under Section 16 of the Exchange Act are not obligated to disclose changes in ownership of our Class A common stock, so there can be no assurance that you, or we, will be notified of any such changes. All of our outstanding shares are eligible for sale in the public market, except shares held by directors, executive officers, and other affiliates that are subject to volume limitations under Rule 144 of the Securities Act. Our employees, other service providers, and directors are subject to our quarterly trading window closures. In addition, we have reserved shares for issuance under our equity incentive plans. We may also issue shares of our Class A common stock or securities convertible into our Class A common stock from time to time in connection with a financing, acquisition, investment, or otherwise. When these shares are issued and subsequently sold, it would be dilutive to existing stockholders and the trading price of our Class A common stock could decline.

If securities or industry analysts either do not publish research about us, or publish inaccurate or unfavorable research about us, our business, or our market, or if they change their recommendations regarding our common stock adversely, the trading price or trading volume of our Class A common stock could decline.

The trading market for our Class A common stock is influenced in part by the research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. If one or more of the analysts initiate research with an unfavorable rating or downgrade our Class A common stock, provide a more favorable recommendation about our competitors, or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume to decline. Since we provide only limited financial guidance, this may increase the probability that our financial results are perceived as not in line with analysts' expectations, and could cause volatility to our Class A common stock price.

We do not intend to pay cash dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any cash dividends in the foreseeable future. As a result, you may only receive a return on your investment in our Class A common stock if the market price of our Class A common stock increases. In addition, our Credit Facility includes restrictions on our ability to pay cash dividends.

If we are unable to maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our Class A common stock may be seriously harmed.

We are required to maintain adequate internal control over financial reporting, perform system and process evaluation and testing of those internal controls to allow management to report on their effectiveness, report any material weaknesses in such internal controls, and obtain an opinion from our independent registered public accounting firm regarding the effectiveness of such internal controls as required by Section 404 of the Sarbanes-Oxley Act, all of which is time-consuming, costly, and complicated. If we are unable to comply with these requirements in a timely manner, if we assert that our internal control over financial reporting is ineffective, if we identify material weaknesses in our internal control over financial reporting, or if our independent registered public accounting firm is unable to express an opinion or expresses a qualified or adverse opinion about the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock could be negatively affected. In addition, we could become subject to investigations by the NYSE, the SEC, and other regulatory authorities, which could require additional financial and management resources.

The requirements of being a public company have and may continue to strain our resources, result in more litigation, and divert management's attention.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the NYSE, and other applicable securities rules and regulations. Complying with these rules and regulations have caused and will continue to cause us to incur additional legal and financial compliance costs, make some activities more difficult, be time-consuming or costly, and continue to increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results, and that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a public company we are required to publicly disclose additional details about our business and financial condition information, which may result in threatened or actual litigation, including by competitors, regulators, and other third parties. If those claims are successful, our business could be harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management's resources and harm our business.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our certificate of incorporation, or our bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This provision would not apply to actions brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all Securities Act claims, which means both courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These exclusive forum provisions may limit a stockholder's ability to bring an action in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us

and our directors, officers, and other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, federal courts have been split on the issue, and a stockholder may seek to bring an action in a venue other than those designated in the exclusive forum provisions. In such an instance, we would expect to vigorously assert the validity and enforceability of our exclusive forum provisions, which may require significant additional costs associated with resolving such action in other jurisdictions, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements

During the quarter ended September 30, 2026, our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated the contracts, instructions, or written plans for the purchase or sale of our securities set forth in the table below:

		Type of Trading Arrangement			
Name and Position	**Date**	**Action**	**Rule 10b5-1***	**Expiration Date**	**Total Shares of Class A Common Stock to be Sold**
Zachary Briers *General Counsel*	8/11/2026	Adoption [(1)]	X	2/14/2028	[(2)]

* Contract, instruction, or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

(1) Plan adopted in accordance with Rule 10b5-1(c)(1)(ii)(D)(2).

(2) Trading arrangement provides for the sale of (1) up to 568,306 shares of Class A Common Stock held by Mr. Briers and (2) 100% of the net issued shares of Class A Common Stock subject to restricted stock unit awards upon satisfaction of the applicable vesting conditions (the "RSU Shares"). The actual number of shares to be sold pursuant to the trading arrangement is not yet determinable and, with respect to the RSU Shares, will be reduced by the number of shares sold to satisfy tax withholding obligations arising from the vesting of the equity awards.

2017 Equity Incentive Plan Reserve Increase

On November 4, 2026, the Compensation Committee of our board of directors approved an amendment to our 2017 Equity Incentive Plan (the "2017 Plan") to increase the number of shares of our Class A common stock available for award grants under the 2017 Plan by 45,000,000 shares (the "Share Reserve Increase"). A description of the material features of the 2017 Plan is set forth in Part III, Item 11 of our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission on February 5, 2026 under the heading "Employee Benefit Plans—2017 Equity Incentive Plan," which description is incorporated herein by reference.

The Share Reserve Increase was also approved by written consent on November 4, 2026 by holders of an aggregate of 231,626,943 shares of our Class C common stock, representing an aggregate of over 99% of the voting power of our outstanding capital stock.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference			
		Schedule / Form	File Number	Exhibit	Filing Date
31.1	Certification of the Chief Executive Officer of Snap Inc. pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.				
31.2	Certification of the Chief Financial Officer of Snap Inc. pursuant to Rule 13a-14(a)/Rule 15d-14(a) under the Securities Exchange Act of 1934.				
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer of Snap Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
10.1+	Employment Agreement, by and between Snap Group Limited Singapore Branch and Ronan Harris, dated September 22, 2026.				
10.2+	Snap Inc. 2017 Equity Incentive Plan, as amended.				
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document.				
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).				

+ Indicates management contract or compensatory plan.

* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SNAP INC.

Date: November 4, 2026

/s/ Douglas Hott

Douglas Hott
Chief Financial Officer
(Principal Financial Officer)

Date: November 4, 2026

/s/ Rebecca Morrow

Rebecca Morrow
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 10.1

Snap Group Limited

50 Cowcross Street, Floor 2
London, EC1M 6AL

September 10, 2026

Ronan Harris
ronan@snap.com

Dear Ronan:

Snap Group Limited (the "**Company**"), is pleased to offer you employment on the terms described below.

1. **Position.** You will start in a full-time position as Chief Commercial Officer. Your primary duties will be leading Snap's global commercial organization, including worldwide sales and the development and execution of strategies to drive revenue growth and commercial performance. The role will lead Snap's global go-to-market efforts, build and strengthen key customer and partner relationships, and collaborate with executive and cross-functional leadership to advance the Company's strategic and business objectives. The Company may require you to perform such other or additional duties or to undertake a different role of similar status as the needs of the business dictate. By signing this letter (the "**Agreement**"), you confirm with the Company that you are under no contractual or other legal obligations that would prohibit you from performing your duties with the Company.

2. **Compensation.**

a. **Base Salary.** You will be paid a base salary of £740,000 GBP per year, payable on the Company's regular payroll dates, which are monthly, in arrears. This base salary will be paid in 12 equal monthly installments. Electronic payslips may be issued to you rather than paper copies. Your pay will be periodically reviewed as a part of the Company's regular reviews of compensation, but the Company is under no obligation to increase your pay, subject to applicable law.

b. **Discretionary Bonus.** You may be eligible to receive an annual discretionary bonus. Please note that whether or not you receive a discretionary bonus, as well as the amount, will be determined by the Company in its sole discretion. A payment at any particular time or at any particular level will not create any entitlement to or expectation of any future payment or the amount of any future payment. You will not be entitled to receive any such bonus payment if you are not employed or are under notice to terminate employment from either party or are subject to disciplinary investigations or proceedings at the date that payment would otherwise ordinarily be made. Any bonus paid will not be part of normal or expected salary for any purpose and will be non-pensionable.

c. **Withholding and Deductions.** All forms of compensation referred to in this Section 2 or elsewhere in this Agreement or otherwise paid to you in relation to your employment by the Company are subject to applicable withholding and payroll taxes and any required deductions. In addition, to the extent permitted by applicable law, the Company may deduct from your compensation or other payments due to you any money that you owe to the Company (including repayment of any amounts as described above).

3. **Start Date.** Your role as Chief Commercial Officer will commence on September 18, 2026 (the "**Start Date**"). Your time performing your prior roles with the Company will count towards your period of continuous employment with the Company.

4. **Place of and Hours of Work.** Your normal place of work will be at the Company's offices located in London. Your normal hours of work are between 9:00 a.m. and 6:00 p.m. Mondays to Fridays inclusive with a lunch break of one hour. You also agree to travel to and work at such other places (on either a temporary or permanent basis), throughout the United Kingdom and the rest of the world, as the Company may require for the proper and efficient performance of your duties. During your employment, you will not be required to work outside

the United Kingdom for any continuous period of more than one month. Your work schedule will be set by your manager in accordance with applicable law and may change from time to time based on business needs. Notwithstanding the foregoing, you will be expected to be flexible in your work schedule, which includes shift hours. Any additional hours worked will be deemed already compensated by the above base salary, except to the extent required under applicable law.

Regulation 4(1) of the Working Time Regulations 1998 (the "Regulation") limits the average working week (calculated in accordance with the Regulation) of each worker to a maximum of 48 hours. If you wish to opt out of the Regulation, please complete and return the opt out form. If you do not opt out of the Regulation, then you must comply with any policy of the Company in force from time to time concerning the maintenance of records of the hours that you work.

5. **Employee Benefits.** As an employee of the Company, you will be eligible to participate in the employee benefit plans, if any, currently and hereafter maintained by the Company and generally available to similarly situated employees of the Company in your country subject to acceptance by underwriters, any applicable rules and conditions and subject to the Company's absolute right to substitute, replace, terminate or amend any such schemes and their terms. The Company shall not have any liability to pay any benefit (or compensation in lieu) to you (or any family member) if the insurer refuses for whatever reason to pay or provide or to continue to pay or to provide such benefit and shall not be required to take any steps to require the insurer to pay or provide that benefit. Further details of these benefits are available from the intranet. The Company may replace or withdraw such benefits, or amend the terms of such benefits, at any time on reasonable notice to you. The Company will comply with its obligations as employer under the employee pension auto-enrolment requirements detailed in Part 1 Pensions Act 2008. You will be assessed, and if eligible, enrolled in a contributory pension scheme (the "**Company Pension Scheme**"), and you shall pay required contributions, subject to the terms of its governing rules as amended from time to time, and/or the terms of the Company's existing group personal pension scheme provider, as applicable.

If you become a member of the Company Pension Scheme, the default arrangement is that your pension contributions will be made via salary sacrifice. Details of the Company Pension Scheme, including the current rate of the Company's contribution, are available on the Company's intranet (Snappy) or from Human Resources. The Company reserves the right to terminate or substitute another pension scheme for the Company Pension Scheme. The Company will comply with the requirement to automatically re-enroll you into a qualifying pension scheme every three years if you are not a current member of the Company Pension Scheme, and to make employer contributions and deductions in respect of employee contributions, in accordance with the Pensions Act 2008.

6. **Vacation** You will be entitled to 25 working days' holiday (in addition to the usual bank holidays in England and Wales) in each calendar year, commencing on 1 January in each year, which will accrue on a monthly basis and in accordance with the Company's policies. If your employment commences part way through a holiday year, your entitlement during that holiday year will be calculated on a pro-rata basis rounded up to the nearest half day. You may not take as holiday more than 10 working days consecutively out of your entitlement without the prior consent of the Company and any holidays must be taken at times previously agreed by the Company. Such agreement is to be obtained before you have committed yourself to booking a holiday or made any other positive arrangements. You may be required to work a bank holiday and if this is the case, you will receive an alternative day off in lieu. You are expected to take all leave prior to the end of each calendar year. Any leave not taken by the end of the year may be forfeited, subject to applicable law and Company policy. If upon the termination of your employment you have taken more annual leave than your accrued entitlement as of the date of termination, the Company will be entitled to deduct the appropriate amount from any payments due to you. The Company reserves the right to require you to take any outstanding holiday during your notice period.

7. **Other paid leave.** You may be eligible to take the following types of paid leave, subject to statutory eligibility requirements or conditions and the Company rules applicable to each type of leave in force from time to time, and to the extent applicable in each case:

- statutory maternity leave;

- statutory paternity leave;
- statutory adoption leave;
- shared parental leave;
- parental bereavement leave.

Further details of such leave and your pay during such leave are available from the Company. The Company's policies are non-contractual, and the Company may replace, amend or withdraw the Company's policy on any of the above types of leave at any time.

8. **Sickness.** In the case of absence from work due to sickness, injury, or other incapacity, you or someone on your behalf must notify us on as soon as possible but no later than the start of your normal workday on the first day of absence, stating the cause of the absence and its likely duration and should keep the Company updated throughout the period of absence. The Company will comply with any applicable minimum statutory sick leave and/or sick pay regulations and may require you to provide a medical certificate or other form in relation to your sickness. Subject to your compliance with the Company's policy on sickness absence, you may be entitled to statutory sick pay. The payment of any kind of sick pay shall not affect the Company's power to terminate your employment.

9. **Pre-Employment Conditions.**

a. **Work Permit.** As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the country where you will be employed. Such documentation must be provided to us prior to or on your Start Date, or this offer will be rescinded or any employment relationship with you may be terminated.

b. **Export Control License.** This offer is also contingent upon receipt of any export license or other approval that may be required under applicable law. The Company is not obligated to apply for any export license or other approval that may be required, nor can we guarantee that the relevant government agency will issue such license or approval.

10. **Deed of Confidential Information and Invention Assignment Agreement.** You previously signed the Company's Deed of Confidential Information and Invention Assignment Agreement which remains in full force and effect.

11. **Employment Relationship.** Employment with the Company is for no specific period of time and will be subject to the termination procedures described in Section 12 below. Your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time at the discretion of the Company, subject to applicable law.

12. **Termination.** You are required to give a minimum of 3 months' written prior notice, or statutory notice, whichever is greater, if you choose to resign. The Company will be entitled at its absolute discretion to terminate your employment at any time by giving you 3 months' written notice or statutory notice, whichever is the greater. The Company may terminate your employment summarily (without notice) or otherwise if you commit any serious breach of the terms of your employment or of this Agreement or in the event that you commit any act of gross misconduct. All benefits will cease upon termination of employment.

13. **Payment in Lieu.** The Company reserves the right at any time, in its absolute discretion, to terminate your employment by paying you a sum equal to your basic salary for the relevant period of notice. The payment shall consist solely of your basic salary for the period of notice and shall exclude any other entitlements or benefits referable to your employment and shall be subject to deductions for income tax and national insurance contributions as appropriate. You agree to accept any such payment in lieu of notice as being in full and final

settlement of any claim you may have arising out of your contract of employment. Termination of employment will take effect when you are notified (whether verbally or in writing) that the Company is exercising its right under this Section 13 and that it has made or will make a payment in lieu of notice to you.

14. **Garden Leave.** The Company may also place you on "garden leave" during any period of notice of termination or resignation of your employment. While on garden leave, the Company may: (a) require you to carry out different duties from your normal duties; (b) require you not to attend at work; (c) require you to cease carrying out your duties altogether or cease having any business dealings with the Company's employees, consultants, suppliers, customers and prospective customers; (d) exclude you from any premises of the Company or any Group Company; or (e) exclude your access to any Company systems or electronic communications or equipment. During such period, you will continue to receive your salary and all contractual benefits provided by your employment, and you must continue to comply with Sections 15 and 16, below.

15. **General Obligations and Obligation to Cooperate.** As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. You will also be expected to comply with the Company's policies and procedures as published or amended from time to time (although these policies and procedures do not form part of this Agreement and the Company may amend, modify or withdraw Company policies and procedures with or without notice to you). You agree that during your employment with the Company and following the termination of your employment, you will cooperate with and make yourself available to the Company in connection with any pending or future internal investigation, government or regulatory investigation involving the Company.

16. **Network Use and Data Access.** Any use by you of Group Company communications systems and equipment, including email and computers must be in accordance with any policies that the Company or Group Company may issue from time to time. Furthermore, to the extent that you may have access to the personal data of others (within or outside Group Company) in the course of your employment with the Company, you also agree that you will strictly comply with all applicable data protection laws, regulations and guidelines and any policies issued by the Company or Group Company from time to time relating to data protection and privacy, and you acknowledge that the breach of any such rules is likely to be regarded as gross misconduct.

17. **Grievance and Disciplinary Procedures.** The Company's disciplinary and grievance procedure (which may be updated from time to time) is available from your manager or HR Manager. The procedure is non-contractual. The Company may in its absolute discretion suspend you from some or all of your duties and/or require you to remain away from work during any investigation conducted into an allegation relating to your conduct or performance. During such period, your salary and contractual benefits will continue to be paid and provided.

If you want to raise a grievance, you may apply in writing to Snap Inc.'s Chief People Officer in accordance with our grievance procedure.

If you wish to appeal against a disciplinary decision you may apply in writing to Snap Inc.'s Chief People Officer, in accordance with our disciplinary procedure.

18. **Training.** No mandatory training is applicable or provided in relation to your employment.

19. **Outside Business Interests.** You cannot during the continuance of your employment (whether during or outside working hours, and whether alone, on behalf of, or in association with any other person) without the prior consent in writing of the Company, be directly or indirectly engaged, concerned or interested in any capacity in any other business, trade, profession or occupation other than the business of the Company or any Group Company in accordance with the terms of this Contract provided that nothing in this Section 19 shall prohibit you from being:

(a) the holder of not more than five per cent. of any class of stock, shares or debentures or other securities in any company whether or not it is listed and/or dealt in any Recognised Investment Exchange. "Recognised Investment Exchange" means the London Stock Exchange, the Alternative Investment Market or other recognised investment exchange and/or recognised clearing house pursuant to Section 285 of the Financial Services and Markets Act 2000, as amended; or

(b) interested as shareholder or director only in such companies as the Company from time to time agrees in writing, such agreement not to be unreasonably withheld or withdrawn so long as none of such interests of yours shall prejudice the business interests of the Company or of any Group Company and for so long as you continue to comply with the provisions of this clause 19.

You cannot during the continuance of your employment (except with the prior written consent of the Company) introduce to any other person firm or company business of any kind which could appropriately be dealt with by the Company or any Group Company, nor can you have any financial interest in or derive any financial benefit from any contracts made by the Company or any Group Company with any third party.

20. **Miscellaneous.**

a. **Group Company.** The term "**Group Company**" in this Agreement means any undertaking which is a parent undertaking of the Company or a subsidiary undertaking of the Company or of any such parent undertaking (as such expressions are defined in 1161 and 1162 of the Companies Act 2006).

b. **Communications.** To the extent this Agreement or any related documentation has been provided to you in a language other than English, the English language version will govern in case of any ambiguities or inconsistencies, subject to applicable law. The Company may also deliver any documents related to your employment and request your consent to such documents by electronic means. You hereby consent to receive such documents by electronic delivery and, if applicable, to execute such documents via electronic signatures, click-through acceptance of terms, or other online system as may be established and maintained by the Company.

c. **Severability.** The provisions of this Agreement are severable, and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, it shall nevertheless be enforced to the fullest extent allowed by law, and the remaining provisions shall not be affected.

d. **Governing Law and Forum.** This Agreement will be governed by the laws of England and Wales without giving effect to any conflict of laws principles, and any dispute that cannot be resolved by the parties shall be submitted to the exclusive jurisdiction of the courts of England and Wales.

e. **Entire Agreement.** This Agreement supersedes and replaces any prior understandings or agreements, whether oral, written or implied, between you and the Company regarding the matters described in this Agreement, apart from your previously signed Deed of Confidential Information and IInvention Assignment Agreement and Working Time Regulations 1998. This Agreement may not be amended or modified, except by an express written agreement signed by both you and an authorised company signatory, except that the Company reserves the right to change your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, from time to time, subject to applicable law.

f. **Health and Safety.** All employees are required to comply fully with applicable health and safety legislation and with the requirements of any HSE or other regulatory body, in connection with the physical state and condition of the Company's premises and the equipment in it, and the Company's conduct of the business. All staff are required to report immediately to one of the directors any matters which do or may give rise to a health and safety risk to any person on the Company's premises or to a breach of any statutory rule or regulation. Failure to pay proper attention to health and safety matters is a serious disciplinary offence.

g. **Collective Agreements**. There are no collective agreements which affect the terms and conditions of your employment.

h. **Counterparts**. This Agreement may be signed in two or more counterparts. Each of these will be considered an original, and together they will constitute a single agreement.

[signature page follows]

If you wish to accept this offer, please sign and date both this Agreement and the enclosed Deed of Confidential Information and Invention Assignment Agreement and return them to me.

Very truly yours,

Snap Group Limited

By: /s/ Scott Withycombe

Name: Scott Withycombe
Title: Chief People Officer, Snap Inc.; Signing on behalf of Snap Group Limited

ACCEPTED AND AGREED:

/s/ Ronan Harris

Name: Ronan Harris
Date: September 22, 2026

Snap Inc.

2017 Equity Incentive Plan

Adopted by the Board of Directors: January 27, 2017
Approved by the Stockholders: February 2, 2017
IPO Date: March 1, 2017
Amended by the Compensation Committee
and Approved by the Stockholders: November 4, 2026

1. General.

(a) Purpose. The Plan, through the grant of Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

(b) Eligible Award Recipients. Employees, Directors and Consultants are eligible to receive Awards.

(c) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards, (vi) Performance Stock Awards, (vii) Performance Cash Awards, and (viii) Other Stock Awards.

(d) Successor to and Continuation of Prior Plans. The Plan is intended as the successor to and continuation of the Company's 2012 Equity Incentive Plan and 2014 Equity Incentive Plan, each as amended (the "***Prior Plans***"). From and after 12:01 a.m. Pacific Time on the IPO Date, no additional awards may be granted under the Prior Plans other than awards for up to 2,500,000 shares of Class A Common Stock to employees and consultants of the Company in France (the "***French Sub-Plan Shares***"). All Awards granted on or after 12:01 a.m. Pacific Time on the IPO Date will be granted under this Plan other than the French Sub-Plan Shares. All awards granted under the Prior Plans will remain subject to the terms of the Prior Plans.

(i) Other than the French Sub-Plan Shares, any shares in the share reserve of each of the Prior Plans that would otherwise remain available for future grants under the Prior Plans as of 12:01 a.m. Pacific Time on the IPO Date (the "***Prior Plans' Available Reserve***") will cease to be available under the Prior Plans at such time. Instead, a number of shares equal to the Prior Plans' Available Reserve will be added to the Share Reserve (as further described in Section 3(a) below) and will then be immediately available for grants and issuance pursuant to Stock Awards hereunder, up to the maximum number set forth in Section 3(a) below; *provided, however,* that any such shares that are shares of Class B Common Stock shall instead be added to the Share Reserve as shares of Class A Common Stock as described in Section 3(a) below.

(ii) In addition, from and after 12:01 a.m. Pacific Time on the IPO Date, any shares subject to outstanding stock awards granted under the Prior Plans (not including any shares of Common Stock subject to outstanding stock awards as a result of the Common Stock dividend issued by the Company on October 31, 2016) that would, but for the operation of this sentence, subsequently return to the share reserves of the Prior Plans under their terms (the "***Returning Shares***") will not return to the reserves of the Prior Plans, and instead that number of shares equal to the Returning Shares will be added to the Share Reserve (as further described in Section 3(a)**.** below) as and when the share becomes a Returning Share, up to the maximum number set forth in Section 3(a) below; *provided, however,* that any such shares that are shares of Class B Common Stock shall instead be added to the Share Reserve as shares of Class A Common Stock as described in Section 3(a) below.

2. Administration.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine: (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or the time at which cash or shares of Common Stock may be issued in settlement thereof).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or termination of the Plan will not materially impair a Participant's rights under the Participant's then-outstanding Award without the Participant's written consent, except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or bringing the Plan or Awards granted under the Plan into compliance with the requirements for Incentive Stock Options or ensuring that they are exempt from, or compliant with, the requirements for nonqualified deferred compensation under

Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Awards available for issuance under the Plan. Except as otherwise provided in the Plan or an Award Agreement, no amendment of the Plan will materially impair a Participant's rights under an outstanding Award without the Participant's written consent.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (A) Section 162(m) of the Code regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (B) Section 422 of the Code regarding "incentive stock options" or (C) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided, however,* that a Participant's rights under any Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Awards without the affected Participant's consent (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws or listing requirements.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such rules, procedures and sub-plans related to the operation and administration of the Plan as are necessary or appropriate under local laws and regulations to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement that are made to ensure or facilitate compliance with the laws or regulations of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of

any outstanding Stock Award and the grant in substitution therefor of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3.

(d) Delegation to an Officer. The Board may delegate to one (1) or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; *provided, however*, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 13(y)(iii) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. Shares Subject to the Plan.

(a) Share Reserve. Subject to Section 9(a) relating to Capitalization Adjustments, and the following paragraph regarding the annual increase, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards will not exceed 382,092,849 shares (the "***Share Reserve***"),

which number is the sum of (i) 45,000,000 new shares of Common Stock, *plus* (ii) the 87,270,108 shares of Common Stock added to the Plan effective as of the IPO Date, *plus* (iii) the number of shares of Common Stock subject to the Prior Plans' Available Reserve as of the IPO Date, in an amount not to exceed 22,887,018 shares, *plus* (iv) a number of shares of Common Stock equal to the number of shares of Class B Common Stock subject to the Prior Plans' Available Reserve as of the IPO Date, in an amount not to exceed 5,975,797 shares, *plus* (v) the number of shares of Common Stock that are Returning Shares, as such shares become available from time to time, in an amount not to exceed 96,993,064 shares, *plus* (vi) a number of shares of Common Stock equal to the number of shares of Class B Common Stock that are Returning Shares, as such shares become available from time to time, in an amount not to exceed 37,228,865 shares, plus (vii) a maximum of 86,737,997 shares that are added pursuant to the following sentence. With respect to each Returning Share that returns to the Plan pursuant to clauses (v) and (vi) of the prior sentence that was associated with an award that was outstanding under the Prior Plans as of October 31, 2016, an additional share of Common Stock will be added to the Share Reserve, up to a maximum of 86,737,997 shares.

In addition, the Share Reserve will automatically increase on the first day of each fiscal year, for a period of not more than ten years from the date the Plan is approved by the stockholders of the Company, commencing on January 1 in the calendar year following the calendar year in which the IPO Date occurs and ending on (and including) January 1, 2027, in an amount equal to 5% of the total number of shares of Capital Stock outstanding on the last day of the calendar month prior to the date of such automatic increase. Notwithstanding the foregoing, the Board may act prior to the first day of a given fiscal year to provide that there will be no increase in the Share Reserve for such fiscal year or that the increase in the Share Reserve for such year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence. For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a). Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(b) Reversion of Shares to the Share Reserve. If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be three times the Share Reserve.

(d) **Section 162(m) Limitations**. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, at such time as the Company may be subject to the applicable provisions of Section 162(m) of the Code, the following limitations shall apply.

(i) A maximum of 20,000,000 shares of Common Stock subject to Options, SARs and Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date the Stock Award is granted may be granted to any one Participant during any one calendar year. Notwithstanding the foregoing, if any additional Options, SARs or Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date the Stock Award are granted to any Participant during any calendar year, compensation attributable to the exercise of such additional Stock Awards will not satisfy the requirements to be considered "qualified performance-based compensation" under Section 162(m) of the Code unless such additional Stock Award is approved by the Company's stockholders.

(ii) A maximum of 20,000,000 shares of Common Stock subject to Performance Stock Awards may be granted to any one Participant during any one calendar year (whether the grant, vesting or exercise is contingent upon the attainment during the Performance Period of the Performance Goals).

(iii) A maximum of US$20,000,000 may be granted as a Performance Cash Award to any one Participant during any one calendar year.

(e) **Source of Shares.** The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. **Eligibility.**

(a) **Eligibility for Specific Stock Awards**. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or a "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided, however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) **Ten Percent Stockholders.** A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

5. Provisions Relating to Options and Stock Appreciation Rights.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided, however*, that each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Purchase Price for Options. The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if an Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however*, that the Company will accept a cash or other payment from

the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided in the Plan, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2) or comparable local law. If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company (or a third party designated by the Company, each a "***Company Designee***"), in a form approved by the Company (or a Company Designee), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate or the Participant's legal heirs will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise.

However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date 3 months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time frame, the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Common Stock received on exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a period of months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the

date 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Award Agreement for exercisability after the termination of the Participant's Continuous Service for a reason other than death, then the Option or SAR may be exercised (x) in its entirety including shares that the Participant was not otherwise entitled to exercise as of the date of termination of Continuous Service in the event of a termination under (i) above, or (y) to the extent the Participant was entitled to exercise such Option or SAR as of the date of death in the event of a termination under (ii) above by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the date of such termination of Continuous Service.

(l) Non-Exempt Employees. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the U.S. Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the U.S. Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the U.S. Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. Provisions of Stock Awards other than Options and SARs.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(v) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of

Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award (covering a number of shares not in excess of that set forth in Section 3(d) above) that is payable (including that may be granted, may vest or may be exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may, but need not, require the Participant's completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award (for a dollar value not in excess of that set forth in Section 3(d) above) that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board), in its sole discretion. The Board may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board may specify, to be paid in whole or in part in cash or other property.

(iii) Board Discretion. The Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for a Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(iv) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to an Award intended to qualify as "performance-based compensation" thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such Performance Goals relate solely to the increase in the value of the Common Stock). Notwithstanding satisfaction of, or completion of any Performance Goals, the number of shares of Common Stock, Options, cash or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Goals may be reduced by the Committee on the basis of such further considerations as the Committee, in its sole discretion, will determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. Covenants of the Company.

(a) Availability of Shares. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Awards.

(b) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as necessary, such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Stock Awards; *provided, however*, that this undertaking will not require the Company to register under the Securities Act or other securities or applicable laws, the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable law.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the tax treatment of such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. Miscellaneous.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is domiciled or incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds US$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that such Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in

order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to an Award by any of the following means or by a combination of such means through the Company or a Company Designee: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; *provided, however,* that no shares of Common Stock are withheld with a value exceeding such amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A of the Code. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" (as defined in Section 409A

of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of an event constituting Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

9. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Sections 3(d), and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; *provided, however*, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Transaction. The following provisions will apply to Stock Awards in the event of a Transaction unless otherwise provided in the Stock Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five (5) days prior to the effective date of the Transaction), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Transaction; *provided, however*, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Transaction, which exercise is contingent upon the effectiveness of such Transaction;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Transaction, in exchange for such cash consideration or no consideration as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Stock Award immediately prior to the effective time of the Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero (US$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Stock in connection with the Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. Plan Term; Earlier Termination or Suspension of the Plan.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of (i) the date the Plan is adopted by the Board (the "***Adoption Date***"), or (ii) the date the Plan is approved by the stockholders of the Company. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. Existence of the Plan; Timing of First Grant or Exercise.

The Plan will come into existence on the Adoption Date; *provided, however*, that no Award may be granted prior to the IPO Date. In addition, no Stock Award will be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, Performance Stock Award, or Other Stock Award, no Stock Award will be granted) and no Performance Cash Award will be settled unless and until the Plan has been approved by the stockholders of the Company, which approval will be within 12 months after the date the Plan is adopted by the Board.

12. Choice of Law.

The law of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. Definitions. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(b) "***Award***" means a Stock Award or a Performance Cash Award.

(c) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Capital Stock***" means each and every class of common stock of the Company, regardless of the number of votes per share.

(f) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(g) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States, any state thereof, or any applicable foreign jurisdiction; (ii) such Participant's

attempted commission of, or participation in, a fraud or act of dishonesty against the Company or any Affiliate; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or any Affiliate or of any statutory duty owed to the Company or any Affiliate; (iv) such Participant's unauthorized use or disclosure of the Company's or any Affiliate's confidential information or trade secrets; or (v) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Company, in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(h) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, (C) on account of the acquisition of securities of the Company by any individual who is, on the IPO Date, either an executive officer or a Director (either, an "***IPO Investor***") and/or any entity in which an IPO Investor has a direct or indirect interest (whether in the form of voting rights or participation in profits or capital contributions) of more than 50% (collectively with an IPO Investor, the "***IPO Entities***") or on account of the IPO Entities continuing to hold shares that come to represent more than 50% of the combined voting power of the Company's then outstanding securities as a result of the conversion of any class of the Company's securities into another class of the Company's securities having a different number of votes per share pursuant to the conversion provisions set forth in the Company's Amended and Restated Certificate of Incorporation; or (D) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of the conversion of another stockholder's voting securities or a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar

transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; *provided, however*, that a merger, consolidation or similar transaction will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the surviving Entity or its parent are owned by the IPO Entities;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; *provided, however*, that a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries will not constitute a Change in Control under this prong of the definition if the outstanding voting securities representing more than 50% of the combined voting power of the acquiring Entity or its parent are owned by the IPO Entities; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided, however*, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing definition or any other provision of the Plan, the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company and the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; *provided, however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply. To the extent required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code, and the regulations thereunder.

(i) "***Class A Common Stock***" means the Class A common stock of the Company.

(j) "***Class B Common Stock***" means the Class B common stock of the Company.

(k) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(l) "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(m) "***Common Stock***" means, as of the IPO Date, the Class A Common Stock.

(n) "***Company***" means Snap Inc., a Delaware corporation.

(o) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(p) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided, however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(q) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

If required for compliance with Section 409A of the Code, in no event will a Corporate Transaction be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(r) "***Covered Employee***" will have the meaning provided in Section 162(m)(3) of the Code.

(s) "***Director***" means a member of the Board.

(t) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(u) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(v) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(w) "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(x) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the IPO Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(y) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(z) "***Incentive Stock Option***" means an option granted pursuant to Section 5 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(aa) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(ab) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(ac) "***Nonstatutory Stock Option***" means any Option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(ad) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(ae) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(af) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(ag) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(ah) "***Other Stock Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

(ai) "***Other Stock Award Agreement***" means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(aj) "***Outside Director***" means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an "affiliated corporation," and does not receive remuneration from the Company or an "affiliated corporation," either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(ak) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(al) "***Participant***" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(am) "***Performance Cash Award***" means an award of cash granted pursuant to the terms and conditions of Section 6(c)(ii).

(an) "***Performance Criteria***" means the one or more criteria that the Board or Committee (as applicable) will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board or Committee (as applicable): (i) earnings (including earnings per share and net earnings); (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization; (iv) earnings before interest, taxes, depreciation, amortization and legal settlements; (v) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (vi) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (vii) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (viii) total stockholder return; (ix) return on

equity or average stockholder's equity; (x) return on assets, investment, or capital employed; (xi) stock price; (xii) margin (including gross margin); (xiii) income (before or after taxes); (xiv) operating income; (xv) operating income after taxes; (xvi) pre-tax profit; (xvii) operating cash flow; (xviii) sales or revenue targets; (xix) increases in revenue or product revenue; (xx) expenses and cost reduction goals; (xxi) improvement in or attainment of working capital levels; (xxii) economic value added (or an equivalent metric); (xxiii) market share; (xxiv) cash flow; (xxv) cash flow per share; (xxvi) share price performance; (xxvii) debt reduction; (xxviii) implementation or completion of projects or processes; (xxix) stockholders' equity; (xxx) capital expenditures; (xxxi) debt levels; (xxxii) operating profit or net operating profit; (xxxiii) workforce diversity; (xxxiv) growth of net income or operating income; (xxxv) billings; (xxxvi) bookings; (xxxvii) employee retention; (xxxviii) user satisfaction; (xxxix) the number of users, including but not limited to unique users; (xl) budget management; (xli) partner satisfaction; (xlii) entry into or completion of strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); and (xliii) to the extent that an Award is not intended to comply with Section 162(m) of the Code, other measures of performance selected by the Board.

(a) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board or Committee (as applicable) for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board or Committee (as applicable) (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board or Committee (as applicable) will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board or Committee (as applicable) retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(ao) "***Performance Period***" means the period of time selected by the Board or Committee (as applicable) over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board or Committee (as applicable).

(ap) "***Performance Stock Award***" means a Stock Award granted under the terms and conditions of Section 6(c)(i).

(aq) "***Plan***" means this Snap Inc. 2017 Equity Incentive Plan, as it may be amended.

(ar) "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(as) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(at) "***Restricted Stock Unit Award***" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(au) "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(av) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(aw) "***Securities Act***" means the U.S. Securities Act of 1933, as amended.

(ax) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(ay) "***Stock Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(az) "***Stock Award***" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award or any Other Stock Award.

(ba) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(bb) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(bc) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(bd) "***Transaction***" means a Corporate Transaction or a Change in Control

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Evan Spiegel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Snap Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

/s/ Evan Spiegel

Evan Spiegel

Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Douglas Hott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Snap Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

/s/ Douglas Hott

Douglas Hott

Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Snap Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 4, 2026

/s/ Evan Spiegel

Evan Spiegel

Chief Executive Officer
(Principal Executive Officer)

Date: November 4, 2026

/s/ Douglas Hott

Douglas Hott

Chief Financial Officer
(Principal Financial Officer)