

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

FORM 10-K

- (Mark One)
- ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- For the fiscal year ended December 31, 2025
- 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
(State or other jurisdiction of
incorporation or organization)

45-5452795
(I.R.S. Employer
Identification No.)

3000 31st Street, Santa Monica, California 90405
(Address of principal executive offices, including zip code)

(310) 399-3339
(Registrant's telephone number, 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

Securities registered pursuant to Section 12(g) of the Act: None

- Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐
- Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒
- 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 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 (§232.405 of this chapter) 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 emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.
- | | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of Class A common stock on the New York Stock Exchange on June 30, 2025, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$11.6 billion.

As of January 31, 2026, the Registrant had 1,434,801,757 shares of Class A common stock, 22,523,290 shares of Class B common stock, and 231,626,943 shares of Class C

common stock outstanding.

Auditor Firm Id: 42 Auditor Name: Ernst & Young LLP Auditor Location: Los Angeles, CA, United States

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 Annual Report on Form 10-K 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 under “Risk Factor Summary” below, “Risk Factors” in Part I, Item 1A, and elsewhere in this Annual Report on Form 10-K, 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;
- 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K 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.

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 Annual Report on Form 10-K.

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 (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 substantially all 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 geopolitical 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 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, user activity, or financial performance. In addition, we have in the past 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. 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.

NOTE REGARDING USER METRICS AND OTHER DATA

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 average revenue per user, or ARPU, as quarterly revenue divided by the average DAUs. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity. This allocation differs from our components of revenue disclosure in the notes to our consolidated financial statements, where revenue is based on the billing address of the advertising customer. For information concerning these metrics as measured by us, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Unless otherwise stated, statistical information regarding our users and their activities is determined by calculating the daily average of the selected activity for the most recently completed quarter included in this report.

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 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, because users self-report their dates of birth, our age-demographic data may differ from our users’ actual ages. And because users who signed up for Snapchat before June 2013 were not asked to supply their date of birth, we may exclude those users from our age demographics or estimate their ages based on a sample of the self-reported ages 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 only when a user visits Snapchat through our applications or websites and only once per user per day. We believe this methodology more accurately measures our user engagement. We have multiple pipelines of user data that we use to determine whether a user has 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 application.

If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. We regularly review, have adjusted in the past, and are likely in the future to adjust our processes for calculating our internal metrics to improve their accuracy. For example, in the first quarter of 2025, we refined our processes and controls in recording user activity to allow us to more accurately count DAUs that would not otherwise be counted during such period due to delays in receiving user metric information resulting from carrier or other user connectivity issues during the measurement period. While these refinements improve both our accuracy and precision in counting DAUs, they resulted in less than a 1% increase in our DAUs in the first quarter of 2025 and would have resulted in similarly immaterial changes in our DAUs for all periods in 2024, and which increase was primarily concentrated in Rest of World due to the greater prevalence of network connectivity delays in this region. Any such adjustments would have a commensurate immaterial impact on our calculations of ARPU for such periods. As a result of such adjustments, our DAUs, ARPU, or other metrics may not be directly comparable to those in prior periods. Our measures of DAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

PART I

Item 1. Business.

Overview

Snap Inc. is a technology company. We believe the camera presents the greatest opportunity to improve the way people live and communicate. We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

Our flagship product, Snapchat, is a visual messaging application that enhances your relationships with friends, family, and the world. Visual messaging is a fast, fun way to communicate with friends and family using augmented reality, video, voice, messaging, and creative tools. Snaps are deleted by default to mimic real-life conversations, so there is less pressure to look popular or perfect when creating and sending images on Snapchat. By reducing the friction typically associated with creating and sharing content, Snapchat has become one of the most used cameras in the world.

The camera is a powerful tool for communication and the entry point for augmented reality experiences. By opening directly to the camera, Snapchat empowers our community to express themselves instantly and offers millions of augmented reality Lenses for self expression, learning, and play. In the way that the flashing cursor became the starting point for most products on desktop computers, we believe the camera screen will be the starting point for most products on smartphones. This is because images created by smartphone cameras contain more context and richer information than other forms of input like text entered on a keyboard. Given the magnitude of this opportunity, we are investing and innovating to continue to deliver products and services that are differentiated and that are better able to reflect and improve our life experiences.

Snapchat

Snapchat is our core mobile device application and contains five distinct tabs, complemented by additional tools that function outside of the application. With a breadth of visual messaging and content experiences available within the application, Snapchatters can interact with any or all of the five tabs.

Camera: The Camera is a powerful tool for communication and the entry point for augmented reality experiences in Snapchat. Snapchat opens directly to the Camera, making it easy to create a Snap and send it to friends. Our augmented reality, or AR, capabilities within our Camera allow for creativity and self-expression. We offer millions of Lenses, created by both us and our community, along with creative tools and licensed music and audio clips, which make it easy for people to personalize and contextualize their Snaps. We also offer voice and scanning technology within our Camera. While Snaps are deleted by default to mimic real-life conversations, Snapchatters can save their creativity through a searchable collection of Memories stored on both their Snapchat account and their mobile device.

Visual Messaging: Visual Messaging is a fast, fun way to communicate with friends and family using AR, video, voice, messaging, and creative tools. We also offer My AI, our AI-powered chatbot, which helps our community foster creativity and connection with friends, receive real-world recommendations, and learn more about their interests and favorite subjects. They can also communicate through our proprietary personalized avatar tool, Bitmoji, and its associated contextual stickers and images, which integrate seamlessly into both mobile devices and desktop browsers.

Snap Map: Snap Map is a live and highly personalized map that allows Snapchatters to connect with friends and explore what is going on in their local area. Snap Map makes it easy to locate nearby friends who choose to share their location, view a heatmap of recent Snaps posted to Our Story by location, and locate local businesses. Places, rich profiles of local businesses that include information such as store hours and reviews, overlay specialized experiences from select partners on top of Snap Map, and allow Snapchatters to take direct actions from Snap Map, such as sharing a favorite store, ordering takeout, or making a reservation.

Stories: Stories are a fun way to stay connected, and feature content from friends, our community, and our content partners. Friends Stories allow Snapchatters to express themselves in narrative form through photos and videos, shown in chronological order, to their friends. The Discover section of this tab displays curated content based on a Snapchatter's subscriptions and interests, and features news and entertainment from both our creator community and publisher partners. We also offer Public Profiles as a way for our creator community and our advertising partners to memorialize and scale their content and AR Lenses on our platform.

Spotlight: Spotlight showcases the best of Snapchat, helping people discover new creators and content in a personalized way. Here we surface the most entertaining Snaps from our community all in one place, which becomes tailored to each Snapchatter over time based on their preferences and favorites.

In addition to our core Snapchat product, we offer Snapchat+, Lens+, and Snapchat Platinum, our subscription services that provide subscribers access to exclusive, experimental, and pre-release features. Snapchat+ offers a variety of features from allowing Snapchatters to customize the look and feel of their app to giving special insights into their friendships. Lens+ offers all the value of our Snapchat+ subscription in addition to access to hundreds of exclusive Lens and AR experiences, and Snapchat Platinum offers all the benefits of Snapchat+ and Lens+ in addition to an ad-free experience. We also offer Memories Storage Plans, which provide subscribers with the ability to purchase cloud storage, and Snapchat for Web, a browser-based product that brings Snapchat's signature capabilities to the web.

Snapchat has evolved into a premier ecosystem where leading companies can connect with our global community in creative and trusted environments. Our AI platform allows partners to integrate with Snapchat, unlocking a powerful distribution channel that places AI directly in front of our large, engaged, and global community.

Spectacles, or Specs, are our wearable AR glasses, which overlay computing over the world and extend the immersive AR Lenses experience beyond Snapchat. Spectacles are powered by Snap OS, a new purpose-built operating system with a natural interface that uses your hands and voice without the need for physical controllers. Spectacles are available to professional and hobbyist developers through our Spectacles Developer Program to create AR experiences through Lens Studio, our free AR development and distribution tool.

Our Partner Ecosystem

Many elements and features of Snapchat are enhanced by our expansive partner ecosystem that includes developers, creators, publishers, and advertisers, among others. We help them create and bring diverse content and experiences into Snapchat, leverage Snapchat capabilities in their own applications and websites, and use advertising to promote these and other experiences to our large, engaged, and differentiated user base. We seek to reward our partner ecosystem for their creativity, and continue to support them as they grow their audience and build their business on Snapchat.

Developers are able to integrate with Snapchat and its core technologies, like Snap's Camera, AR technology, and Bitmoji, through a variety of tools. Creative Kit gives developers a seamless visual sharing experience from their app directly to Snapchat. Through Camera Kit, our partners can embed Snap's AR technology directly into their application, extending the use of AR beyond Snapchat's self-expression and communication use cases. We also provide developers a turnkey suite of tools and services that enable them to create AR Lenses with Lens Studio creation suite. Finally, developers can bring an inclusive mode of identity and expression to their apps and games by integrating Bitmojis through our Bitmoji for Developers APIs.

AR creators can use Lens Studio, our powerful desktop application designed for creators and developers, to build Lenses and AR experiences for Snapchatters. Spotlight creators can utilize our content creation tools to reach millions of Snapchatters and build their businesses through various monetization opportunities. Our Creator Marketplace connects both AR and Spotlight creators directly with our advertising partners. We provide monetizable opportunities through programs like the Snap Lens Network and Spectacles Lens Fund, which provide grants to support AR product development across many industries. We recognize and reward top performing Lenses on Snapchat through our Lens Creator Rewards program. We also support our content creator community through a number of programs, including advertising revenue sharing on our mid-roll advertisements in Snap Stars' Stories and Spotlight.

Publisher partners can expand their audiences and monetize content through our Discover section. In addition, we work with various telecommunications providers and original equipment manufacturers, particularly as we build our presence in new markets.

Our Advertising Products

We connect both brand and direct response advertisers to Snapchatters globally. Our ad products are built on the same foundation that makes our consumer products successful. This means that we can take the things we learn while creating our consumer products and apply them to building innovative and engaging advertising products familiar to our community.

AR Ads: Advertising through Snap's AR tools unlocks the ability to reach a unique audience in a highly differentiated way through AR Lenses. AR Lenses are designed through our camera to take advantage of the reach and scale of our augmented reality platform to create visually engaging 3D experiences, including the ability to visualize and try on products such as beauty, apparel, accessories, and footwear. AR Lenses can be memorialized on Snapchat, through Public Profiles that aggregate content and lenses in a single, easy to find place.

Snap Ads: We let advertisers tell their stories the same way our users do, using full screen videos with sound. These also allow advertisers to integrate additional experiences and actions directly within these advertisements, including watching a long-form video, visiting a website, or installing an app. Snap Ads include the following:

- **Single Image or Video Ads:** These are full screen ads that are skippable, and can contain an attachment to enable Snapchatters to swipe up and take action.
- **Story Ads:** Story Ads are branded tiles that live within the Discover section of the Stories tab that can be either video ads or a series of 3 to 20 images.
- **Collection Ads:** Collection Ads feature four tappable tiles to showcase multiple products, giving Snapchatters a frictionless way to browse and buy.
- **Dynamic Ads:** Dynamic ads leverage our machine learning algorithm to match a product catalog to serve the right ad to the right Snapchatter at the right time.
- **Commercials:** Commercials are non-skippable for six seconds, but can last up to three minutes. These ads appear within Snapchat's curated content.
- **Sponsored Snaps:** Sponsored Snaps allow advertisers to communicate visually with the Snapchat community through sponsored messages within the visual messaging tab.
- **Promoted Places:** Promoted Places allow businesses to use the Snap Map to suggest sponsored places of interest to Snapchatters by highlighting the brand's locations on the Snap Map with a promoted pin.

Campaign Management and Delivery: We aim to continually improve the way these ad formats are purchased and delivered. We have invested heavily to build our self-serve advertising platform, which provides automated, sophisticated, and scalable ad buying and campaign management.

We offer the ability to bid for advertisements that are designated to drive Snapchatters to: visit a website, make a purchase, visit a local business, call or text a business, watch a story or video, download an app, or return to an app, among others. Additionally, our delivery framework continues to optimize relevance of ads across the entire platform by determining the best ad to show to any given user based on their real-time and historical attributes and activity. This decreases the number of wasted impressions while improving the effectiveness of the ads that are shown to our community. This helps advertisers increase their return on investment by providing more refined targeting, the ability to test and learn with different creatives or campaign attributes in real time, and the dynamics of our self-serve pricing.

Measuring Advertising Effectiveness: We offer first-party measurement solutions and we support our advertising partners' preferred third-party measurement solutions to provide a vast array of analytics on campaign attributes like reach, frequency, demographics, and viewability; changes in perceptions like brand favorability or purchase intent; and lifts in actual behavior like purchases, foot traffic, app installs, and online purchases.

Technology

Our research and development efforts focus on product development, advertising technology, and large-scale infrastructure.

Product Development: We work relentlessly and invest deliberately to create and improve products for our community and our partners. We develop a wide range of products related to augmented reality experiences, visual messaging, and storytelling that are designed to make computing more human and are powered by a variety of new technologies.

Advertising Technology: We constantly develop and expand our advertising products and technology. In an effort to provide a strong and scalable return on investment to our advertisers, our advertising technology roadmap centers around improving our delivery framework, measurement capabilities, and self-serve tools.

Large-scale Infrastructure: We spend considerable resources and investment on the underlying architecture that powers our products, such as optimizing the delivery of billions of videos to hundreds of millions of people around the world every day. We currently partner with third party providers to support the infrastructure for our growing needs. These partnerships have allowed us to scale quickly without upfront physical infrastructure costs, allowing us to focus our efforts on product innovation.

Employees and Culture

We seek to be a force for good through our products, our work to strengthen our communities, our efforts to make a positive impact on the planet, and our inclusive workplace.

Supporting Our Team: Our values at Snap are being kind, smart, and creative, and we put those values into action through how we support our team and how our team supports one another. Council, which is a practice of active listening that promotes open-mindedness and cultivates empathy and compassion among participants, helps us build and sustain a community steeped in integrity, connection, collaboration, creativity, and kindness. Our talent development programs seek to unlock potential by helping team members advance, learn, and grow in a fair and equitable way at Snap. We focus on the health and well-being of our employees through programs and benefits that support their physical, emotional, and financial fitness. To attract and retain the best talent, we offer challenging work in an environment that enables our employees to have a direct meaningful contribution to new and exciting projects. Underlying these values is our commitment to ethical conduct where we work to instill in our team that acting with integrity means being your whole self, being honest, and doing the right thing.

Inclusion and Belonging: Snap has long supported inclusion and belonging, so that every team member uses their unique backgrounds, experiences, and abilities to build products that uplift the lived experiences of Snapchatters globally. We publish an annual update that discusses how we inspire empathy, design inclusively, and cultivate belonging, which are central to achieving that purpose. This update is excerpted in our broader Citizen Snap Report that details the work we're doing to support our communities, our planet, and our team, and is available on our website at www.snap.com.

Human Capital: As part of our human capital resource objectives, we seek to recruit, retain, and incentivize our highly talented existing and future employees. We believe that creating an inclusive environment where team members can grow, develop, and be their true selves is critical to attracting and retaining talent. Our compensation philosophies also align to that belief.

Our compensation philosophy is based around building a culture of ownership and high performance by putting both impact and our values at the center of our performance feedback process and pay outcomes. We utilize equity as part of our compensation practices to drive a long-term orientation and have committed to paying a minimum living wage for all employees globally.

As of December 31, 2025, we had 5,261 full-time employees, of whom approximately 54% are in engineering roles involved in the design, development, support, and manufacture of new and existing products and processes.

Climate Change: Our commitment to combating climate change remains unchanged. We continue to act on our science-based greenhouse gas emissions reduction targets, which were validated by the Science Based Targets initiative in 2021. We maintain carbon neutrality for our operations through the purchase of verified carbon offsets and renewable energy certificates.

Our Commitment to Privacy

Our approach to privacy is simple: Be upfront, offer choices, and never forget that our community comes first.

We built Snapchat as an antidote to the context-less communication that has plagued “social media.” Not so long ago, a conversation among friends would be just that: a private communication in which you knew exactly who you were talking to, what you were talking about, and whether what you were saying was being memorialized for eternity. Somewhere along the way, social media—by prioritizing virality and permanence—sapped conversations of this valuable context and choice. When we began to communicate online, we lost some of what made communication great: spontaneity, emotion, honesty—the full range of human expression that makes us human in the first place.

We don't think digital communication has to be this way. That's why choice matters. We build products and services that emphasize the context of a conversation—who, when, what, and where something is being said. If you don't have the autonomy to shape the context of a conversation, the conversation will simply be shaped by the permanent feeds that homogenize online conversations.

When you read our Privacy Policy, we hope that you'll notice how much we care about the integrity of personal communication. For starters, we've written our Privacy Policy in plain language because we think it's important that everyone understands exactly how we handle their information. Otherwise, it's hard to make informed choices about how you communicate. We've also created a robust Privacy, Safety, and Policy Hub where we show that context and choice are more than talking points. There, we point out the many ways that users can control who sees their Snaps and Stories, and explain how long content will remain on our servers, how users can manage the information that we do have about them, and much more. This is where you'll also find our Transparency Report in which we provide insight into these efforts and visibility into the nature and volume of content reported on our platform.

We also understand that privacy policies—no matter how ambitious—are only as good as the people and practices behind those policies. When someone trusts us to transmit or store their information, we know we have a responsibility to protect that information and we work hard to keep it secure. New features go through an intense privacy-review process—we debate pros and cons, and we work hard to build products we're proud of and that we'll want to use. We handle user information with the same care that we want for our family, our friends, and ourselves.

Competition

We compete with other companies in every aspect of our business, particularly with companies that focus on mobile engagement and advertising. Many of these companies, such as Alphabet (including Google and YouTube), Apple, ByteDance (TikTok and affiliated joint ventures), Meta (including Facebook, Instagram, Threads, and WhatsApp), Pinterest, Reddit and X (formerly Twitter), may have greater financial and human resources and, in some cases, larger user bases. Given the breadth of our product offerings, we also compete with companies that develop products or otherwise operate in the mobile, camera, consumer hardware, communication, content, and advertising industries that offer, or will offer, products and services that may compete with Snapchat features or offerings. Our competitors span from internet technology companies and digital platforms, to traditional companies in print, radio, and television sectors to underlying technologies like default smartphone cameras and messaging. Additionally, our competition for engagement varies by region. For instance, we face competition from companies like Kakao, LINE, Naver (including Snow), and Tencent in Asia.

We compete to attract and retain our users' attention, both in terms of reach and engagement. Since our products and those of our competitors are typically free, we compete based on our brand and the quality and nature of our product offerings rather than on price. As such, we invest heavily in constantly improving and expanding our product lines.

We also compete with other companies to attract and retain partners and advertisers, which depends primarily on our reach and ability to deliver a strong return on investment.

Finally, we compete to attract and retain highly talented individuals, including software engineers, designers, and product managers. In addition to providing competitive compensation packages, we compete for talent by fostering a culture of working hard to create great products and experiences and allowing our employees to have a direct meaningful contribution to new and exciting projects.

Seasonality in Our Business

We have historically seen seasonality in our business. Overall advertising spend tends to be strongest in the fourth quarter of the calendar year, and we have observed a similar pattern in our historical revenue. We have also experienced seasonality in our user engagement, and at times may see lower engagement during summer months and higher engagement in December.

Intellectual Property

Our success depends in part on our ability to protect our intellectual property and proprietary technologies. To protect our proprietary rights, we rely on a combination of intellectual property rights in the United States and other jurisdictions, including patents, trademarks, copyrights, trade secret laws, license agreements, internal procedures, and

contractual provisions. We also enter into confidentiality and invention assignment agreements with our employees and contractors and sign confidentiality agreements with third parties. Our internal controls are designed to restrict access to proprietary technology.

As of December 31, 2025, we had approximately 5,927 issued patents and approximately 3,526 filed patent applications in the United States and foreign countries relating to our products and platforms—including Snapchat, Bitmoji, Lens Studio, Spectacles and Snap OS—and proprietary technologies spanning augmented reality, hardware, spatial computing, computer vision, generative AI, machine learning, and other technologies. Our issued patents will expire between 2026 and 2050. We may not be able to obtain protection for our intellectual property, and our existing and future patents, trademarks, and other intellectual property rights may not provide us with competitive advantages or distinguish our products and services from those of our competitors.

We license content, trademarks, technology, and other intellectual property from our partners, and rely on our license agreements with those partners to use the intellectual property. We also enter into licensing agreements with third parties to receive rights to patents and other know-how. Third parties may assert claims related to intellectual property rights against our partners or us.

Other companies and “non-practicing entities” that own patents, copyrights, trademarks, trade secrets, and other intellectual property rights related to the mobile, camera, communication, content, internet, and other technology-related industries frequently enter into litigation based on allegations of infringement, misappropriation, and other violations of intellectual property or other rights. As our business continues to grow and competition increases, we will likely face more claims related to intellectual property and litigation matters.

Government Regulation

We are subject to many federal, state, local, and foreign laws and regulations, including those related to advertising, algorithms, anti-money laundering, artificial intelligence, competition, consumer protection, content regulation, data protection, electronic funds transfers, employment, encryption, gift cards, health and safety, import and export restrictions, intellectual property, communication, money transmission, privacy, protection of minors, rights of publicity, and taxation. These laws and regulations are constantly evolving and may be interpreted, applied, created, or amended in a manner that could harm our business. Like other companies in our industry, we face increasingly heightened scrutiny from both the United States and foreign governments with respect to our compliance with laws and regulations. Compliance with these laws and regulations has not had, and is not expected to have, a material effect on our capital expenditures, results of operations, and competitive position as compared to prior periods, and we do not currently anticipate material capital expenditures for environmental control facilities.

We are also currently, and may in the future be, subject to regulatory orders or consent decrees, including the consent order that we entered into with the U.S. Federal Trade Commission, or FTC, in December 2014, which resolved an investigation into some of our early practices. That order requires, among other things, that we establish a robust privacy program to govern how we treat user data. During the 20-year lifespan of the order, we must complete biennial independent privacy audits. The FTC has continued to review our practices and in January 2025, announced the referral of a complaint to the Department of Justice, or the DOJ, pertaining to our deployment of our My AI feature and the allegedly resulting risk of harm to young users. The DOJ did not take action on the referred complaint within the statutory period, and the matter subsequently returned to the FTC. To date, the FTC has not taken further action on the complaint, and we have no indication it will do so. Any enforcement action related to this matter, or any violation of existing or future regulatory orders or consent decrees could subject us to substantial monetary fines and other penalties that could negatively affect our financial condition and results of operations.

Furthermore, foreign data protection, privacy, consumer protection, content regulation, and other laws and regulations are often more restrictive than those in the United States. It is possible that certain governments may seek to block or limit our products or otherwise impose other restrictions that may affect the accessibility or usability of any or all our products for an extended period of time or indefinitely. Due to such laws and regulations, our products may not be available in all locations. Our public policy team monitors legal and regulatory developments in the United States, as well as many foreign countries, and communicates with policymakers and regulators in the United States and internationally.

For additional information about government regulation applicable to our business, see “Risk Factors” in Part I, Item 1A and “Legal Proceedings” in Part I, Item 3 in this Annual Report on Form 10-K.

Information about Geographic Revenue and Segments

Information about geographic revenue and segments is set forth in Notes 2 and 19, respectively, of the notes to our consolidated financial statements included in “Financial Statements and Supplementary Data” in Part II, Item 8 in this Annual Report on Form 10-K.

Available Information

Our website address is www.snap.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed pursuant to Sections 13(a) and 15(d) of the Exchange Act are filed with the SEC. Such reports and other information filed or furnished by us with the SEC are available free of charge on our website at investor.snap.com when such reports are available on the SEC’s website. We use our website, including investor.snap.com, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD.

Information contained in, or accessible through, the websites referred to in this Annual Report on Form 10-K is not incorporated into this filing. Further, our references to website addresses are only as inactive textual references.

Item 1A. Risk Factors.

You should carefully consider the risks and uncertainties described below, together with all the other information in this Annual Report on Form 10-K, 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 Annual Report on Form 10-K 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.

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 474 million daily active users, or DAUs, on average in the quarter ended December 31, 2025. We view DAUs as a critical measure of our user engagement, and adding, maintaining, and engaging DAUs have been and will continue to be necessary. 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. In addition, as we achieve maximum market penetration rates among younger users in developed markets, future growth in DAUs 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 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 application, 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. As our DAU growth rate continues to slow or if the number of DAUs becomes stagnant, or we have a decline in DAUs, 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 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. Any restriction, whether by law, regulation, policy, or other reason, on our ability to collect, process, and disclose data and metrics that our customers find useful 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 personal data related to advertising, which could materially impact our revenue and seriously harm our business. Many of these laws and regulations 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 may prohibit us and our customers from advertising to teens, including based on the profiling of personal data. Other legislative proposals and present laws and regulations currently, and may in the future, apply to our or our advertisers' activities and require significant operational changes to our business. These laws and regulations 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 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 grant users the right to opt-out of sharing of their 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 have issued significant monetary fines in certain circumstances where the regulators 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 or regional number of DAUs 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;
- 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.

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 December 31, 2025, 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 effectiveness 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, including labor shortages and disruptions, supply chain disruptions, banking instability, tariffs and retaliatory countermeasures, inflation, fluctuating interest rates, and recession risks, which 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 on which we rely, 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, and contribute to inflationary pressures. 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. 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, 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 application, 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. 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 application, 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, which could seriously harm our business.

We may not be successful in our strategy and investments for our physical products, 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 2025 we announced that we would release our next generation of Spectacles in 2026. 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. 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.

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 a variety of current or new laws and regulations in the U.S. and internationally, including in the areas of privacy, security, safety, ecodesign, 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. 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. 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;
- 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 application 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;
- 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 December 31, 2025, we had an accumulated deficit of \$13.9 billion and for the year ended December 31, 2025, we had a net loss of \$460.5 million. 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.

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 on which we rely are subject to a variety of evolving threats, including social-engineering attacks (for example by fraudulently inducing employees, 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 attacks may use, or may be enhanced or facilitated by, artificial intelligence, including the use of image, video, or audio deepfakes, or agentic AI used to facilitate attacks 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 on whom we rely 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. 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. 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 upon which we rely, 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. 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 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 and 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, making comparisons to prior periods more difficult. 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 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 user visits Snapchat through our applications or websites, and only once per user per day. 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 application. 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 or other metrics may not be comparable to those in prior periods. Our measures of DAU 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. This calculation may mask any individual days or months within the quarter that are significantly higher or lower than the quarterly average.

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 to 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. 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, decrease DAUs or user engagement in those jurisdictions, require changes to our products and services to achieve compliance, require us to use and incur the costs of certain age assurance and verified parental consent providers, 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 on whom we rely 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. The FTC has continued to review our practices and in January 2025, announced the referral of a complaint to the Department of Justice, or DOJ, pertaining to our deployment of our My AI feature and the allegedly resulting risk of harm to young users. The DOJ did not take action on the referred complaint within the time defined by statute for the DOJ, thereby returning the complaint to the FTC's jurisdiction. To date, the FTC has not taken further action on the complaint, and we have no indication they will do so. 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.

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. 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. 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.

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, 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 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, especially in regions where we have higher monetization;
- 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, 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 the first quarter of 2024, we undertook a restructuring of our business 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.

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, in December 2025, we entered into a strategic partnership to integrate Perplexity's conversational AI search engine into our platform. This and other 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 Perplexity or other 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 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, 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. 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, new laws may increase the minimum age at which individuals are able to access our products or require parental consent for the use of our products. In addition, 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.

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 Spectacles 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.

Spectacles, 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, any 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. 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. For example, in January 2025, the FTC referred a complaint against us to the DOJ that pertains to our deployment of our My AI feature and the allegedly resulting risk of harm to young users. The DOJ did not act on the referred complaint within the time defined by statute, thereby returning the complaint to the FTC's jurisdiction. The FTC has not taken further action to advance the complaint, and we have no indication they will do so.

Additionally, we may be subject to evolving regulations regarding advertising, particularly those concerning minors, 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, 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. In addition, other lawsuits allege that the design of our platform and those of our competitors are addictive and harmful to minor users' mental health. Other 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. We believe we have meritorious defenses to these lawsuits, but litigation is inherently uncertain. Unfavorable outcomes could seriously harm our business. These actions, 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 brought by 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 and stockholder derivative lawsuits, in the future. Because we have millions of users, 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 is small or non-existent. We experienced an increase in litigation and threatened claims related to the provision of our services to younger users, and expect to face similar litigation in the future, including as global youth-related 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 November 2021, we, and certain of our officers, were named as defendants in a 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 and omissions concerning the impact that Apple's App Tracking Transparency, or ATT, framework would have on our business. This lawsuit was recently settled, although that settlement is subject to court approval. If the settlement is not approved, we will continue to litigate the case. 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.

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 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 December 31, 2025, we had recorded a total of \$1.8 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 FDA and other state and foreign regulatory agencies regulate Spectacles. We may develop future products that are 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. Unless there is an exemption, we must obtain regulatory approval from the 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 2025, 2026, 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 August 2026, 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. 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 proposed “side-by-side” arrangement providing for, among other things, additional safe harbors for multinational groups headquartered in certain qualifying 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 proposed “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 compete 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 December 31, 2025, 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 to fund employee equity incentive programs could prolong 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 January 1, 2024 to December 31, 2025, the trading price of our Class A common stock ranged from \$6.90 to \$17.75. 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. For example, in November 2021, we, and certain of our officers, were named as defendants in a 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 and omissions concerning the impact that Apple’s ATT framework would have on our business. This lawsuit was recently

settled, although that settlement is subject to court approval. 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. 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 2026, 2027, 2028, or 2030 are met before the close of business on the business day immediately preceding May 1, 2026, 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.

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 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

Our engineering security team, led by our Chief Information Security Officer, or CISO, uses a multi-pronged approach to assessing, identifying, and managing material risks from cybersecurity threats. This approach includes identifying and assessing risks through: (1) an enterprise risk management program, which is periodically refreshed and includes an identification of our top risks, including cybersecurity risks; (2) formalized security and privacy reviews designed to identify risks from many new features, software, and vendors; (3) a vulnerability management program designed to identify hardware and software vulnerabilities; (4) an internal “red team” program, which simulates cyber threats, intended to allow us to fix vulnerabilities before threat actors identify them; (5) a threat intelligence program designed to model and research our adversaries; and (6) a privacy and security incident response program designed to investigate, respond to, and remediate known incidents. These processes vary in scope and maturity across the business and are processes we work to improve.

Our risk management approach is supplemented by external and internal enterprise risk management assessments and audits, which are designed to test the effectiveness of our controls. We conduct penetration testing or other application security testing on a periodic basis, and have established an external bug bounty program to allow security researchers to help identify vulnerabilities and weaknesses in our controls and configurations in our systems. We also maintain a vendor risk management program designed to identify and mitigate potential risks associated with third-party suppliers and business partners. This program includes pre-engagement diligence, use of contractual cybersecurity and incident notification provisions, and ongoing monitoring of vendors, as appropriate. We also conduct employee training on data protection, including cybersecurity, among other topics.

We use third-party service providers to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including for example professional service firms (including legal counsel), threat intelligence services, and cybersecurity consultants. The material cybersecurity threats identified through these processes are managed by our CISO and are escalated to senior management and our risk and compliance committee, in each case where appropriate. Together, they identify responsive actions for inclusion in our annual strategic planning, or earlier resolution depending on the nature of the risk.

For a description of the risks from cybersecurity threats that may materially affect us and how they may do so, see “Risk Factors” in Part I, Item 1A in this Annual Report on Form 10-K.

Governance

Our board of directors maintains oversight of risks from cybersecurity threats by meeting with and receiving periodic updates from our CISO, via our audit committee, which is assigned oversight of cybersecurity risks. In addition, the chair of our audit committee meets with our CISO periodically to discuss cybersecurity threats and incidents, as well as the business’s approach to responding to them. Our incident response plans also provide that our board of directors and audit committee will be notified in the event of certain cybersecurity incidents.

Our CISO, Jeb Boniakowski, has over two decades of experience in the technology sector, including senior roles focused on risk management, application development, and user safety systems. Mr. Boniakowski joined our security engineering team in 2017, which comprises personnel with a broad range of cybersecurity, information technology, and risk management experience. Prior to that, he led engineering teams at several startups in fintech and consumer social media.

Our CISO also regularly meets with our Chief Executive Officer and other senior management, including as part of the cybersecurity incident response process.

Our CISO, and where appropriate our management team and risk and compliance committee, are informed about and monitor the prevention, detection, mitigation, and remediation of identified cybersecurity incidents, through our security incident response process. We maintain internal and external channels and signals to receive reports of cybersecurity or privacy threats or incidents. A reported incident triggers our Security Incident Response Policy or

associated plans, which has defined roles for our cross-functional incident response team to investigate, contain, eradicate, and remediate the incident. The incident response team assesses the severity and priority of reported incidents on a rolling basis, with escalations of cybersecurity incidents provided to our management team by our CISO and General Counsel (or their designees) and escalations of certain cybersecurity incidents as appropriate to our board of directors. If a cybersecurity incident is determined to be a material cybersecurity incident, our Security Incident Response Policy and associated plans define the process to file a report regarding the incident with the SEC.

Item 2. Properties.

Our corporate headquarters are located in Santa Monica, California, where we occupy approximately 577,672 square feet. As of December 31, 2025, our global facilities totaled an aggregate of approximately 1.8 million square feet of leased office space. We also maintain offices in multiple locations in North America and in Europe, Asia, and Australia. We may add additional offices as we expand our business to other continents and countries. We believe that our facilities are sufficient for our current needs and that, should it be needed, additional facilities will be available to accommodate the expansion of our business.

Item 3. Legal Proceedings.

Securities-Related Matters

On November 11, 2021, 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 and omissions concerning the impact that Apple's App Tracking Transparency framework would have on our business. Plaintiffs seek monetary damages and other relief. We recently settled this case, but that settlement is subject to court approval. If the settlement is not approved, we will continue to litigate the case. Although we believe we have meritorious defenses to the lawsuit, litigation is inherently uncertain and an unfavorable outcome could seriously harm our business.

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.

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. 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 are scheduled for the individual plaintiff bellwether cases in the JCCP starting in January 2026. Snap reached a confidential settlement agreement resolving the first JCCP bellwether trial for Snap. The next JCCP bellwether trial including Snap is scheduled to begin in March 2026. 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 venue. Trials are scheduled for the school district bellwether cases in the MDL starting in June 2026. We have received similar claims in Canada.

Beginning on January 30, 2024, certain U.S. state attorneys general have filed lawsuits against us in their respective state courts 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 business practices, product liability, and negligence.

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.

On January 16, 2025, the U.S. Federal Trade Commission referred a complaint against us to the Department of Justice that pertains to our deployment of our My AI feature and the allegedly resulting risks of harm to young users. The DOJ did not act on the referred complaint within the time defined by statute, thereby returning the complaint to the FTC's jurisdiction. The FTC has not taken further action to advance the complaint, and we have no indication they will do so.

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. 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.

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.

We are also subject to government investigations and inquiries 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. 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.

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. 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.

For information regarding legal proceedings in which we are involved, see other sections of this Annual Report on Form 10-K, including sections titled Note 8, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors," which are incorporated by reference.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information for Common Stock

Our Class A common stock has been listed on the NYSE under the symbol “SNAP” since March 2, 2017. Our Class B common stock and Class C common stock are not listed or traded on any stock exchange.

Holders of Record

As of December 31, 2025, there were 882 stockholders of record of our Class A common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders. The closing price of our Class A common stock as of December 31, 2025 was \$8.07 per share as reported on the NYSE. As of December 31, 2025, there were 73 stockholders of record of our Class B common stock and 2 stockholders of record of our Class C common stock.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. The terms of our Credit Facility also restrict our ability to pay dividends, and we may also enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our capital stock.

We have paid a stock dividend of our Class A common stock on our capital stock in the past and from time to time in the future may pay special or regular stock dividends in the form of Class A common stock, which per the terms of our certificate of incorporation must be paid equally to all stockholders. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors that our board of directors may deem relevant.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes stock repurchase activity for the three months ended December 31, 2025 (in thousands, except per share data):

	Total Number of Shares Purchased ⁽¹⁾	Average Price Per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽¹⁾	Approximate Dollar Value of Shares that May Yet be Repurchased Under the Program ⁽¹⁾
October 1, 2025 - October 31, 2025	—	\$ —	—	\$ —
November 1, 2025 - November 30, 2025	29,400	\$ 8.51	29,400	\$ 250,000
December 1, 2025 - December 31, 2025	—	\$ —	—	\$ 250,000
Total	<u>29,400</u>		<u>29,400</u>	

- (1) In November 2025, our board of directors authorized a stock repurchase program of up to \$500.0 million of our Class A common stock. During the fourth quarter of 2025, we repurchased 29.4 million shares of our Class A common stock for \$250.3 million, including costs associated with the repurchases. As of December 31, 2025, the remaining availability under the stock repurchase authorization was \$250.0 million. This program was completed in January 2026.
- (2) Average price paid per share includes costs associated with the repurchases.

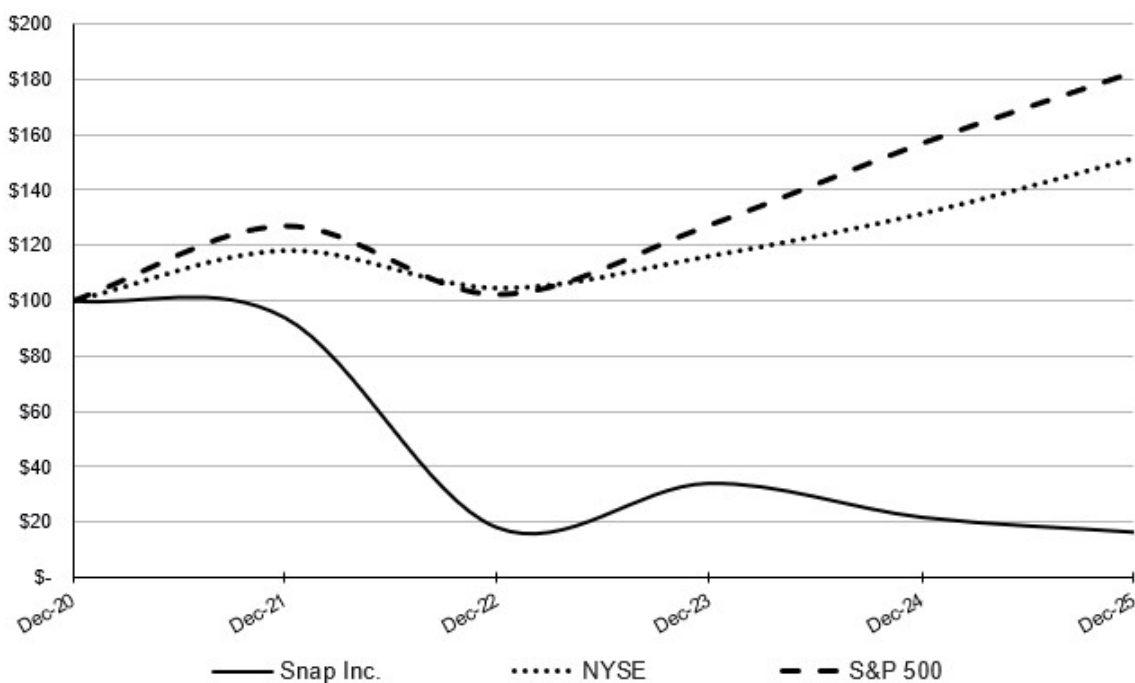
Recent Sale of Unregistered Securities and Use of Proceeds

None.

Stock Performance Graph

This performance graph shall not be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of Snap Inc. under the Securities Act.

The following graph shows a comparison, for the five years ended December 31, 2025, of the cumulative total return for our Class A common stock, the Standard & Poor’s 500 Stock Index (“S&P 500 Index”), and the NYSE Composite. The graph assumes that \$100 was invested at the market close on December 31, 2020 in our Class A common stock, the S&P 500 Index, and the NYSE Composite, and data for the S&P 500 Index and the NYSE Composite assumes reinvestment of any dividends. The stock price performance of the following graph is not necessarily indicative of future stock price performance.



Item 6. Reserved.

Not required.

Item 7. 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K, particularly in "Risk Factors," "Note Regarding Forward-Looking Statements," and "Note Regarding User Metrics and Other Data."

The following generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussion of historical items and year-to-year comparisons between 2024 and 2023 that are not included in this discussion can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 5, 2025.

Overview of Full Year 2025 Results

Our key user metrics and financial results for fiscal year 2025 are as follows:

User Metrics

- Daily Active Users, or DAUs, increased 5% year-over-year to 474 million in Q4 2025.
- Average revenue per user, or ARPU, was \$3.62 in Q4 2025 compared to \$3.44 in Q4 2024.

Financial Results

- Revenue was \$5.9 billion, compared to \$5.4 billion in the prior year, an increase of 11% year-over-year.
- Total costs and expenses were \$6.5 billion, compared to \$6.1 billion in the prior year.
- Net loss was \$460.5 million, compared to \$697.9 million in the prior year.
- Adjusted EBITDA was \$689.5 million, compared to \$508.6 million in the prior year.
- Diluted net loss per share was \$(0.27), compared to \$(0.42) in the prior year.
- Cash provided by operating activities was \$656.2 million, compared to \$413.5 million in the prior year.
- Free Cash Flow was \$437.2 million, compared to \$218.7 million in the prior year.
- Cash, cash equivalents, and marketable securities were \$2.9 billion as of December 31, 2025.

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 Spectacles. 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.

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.

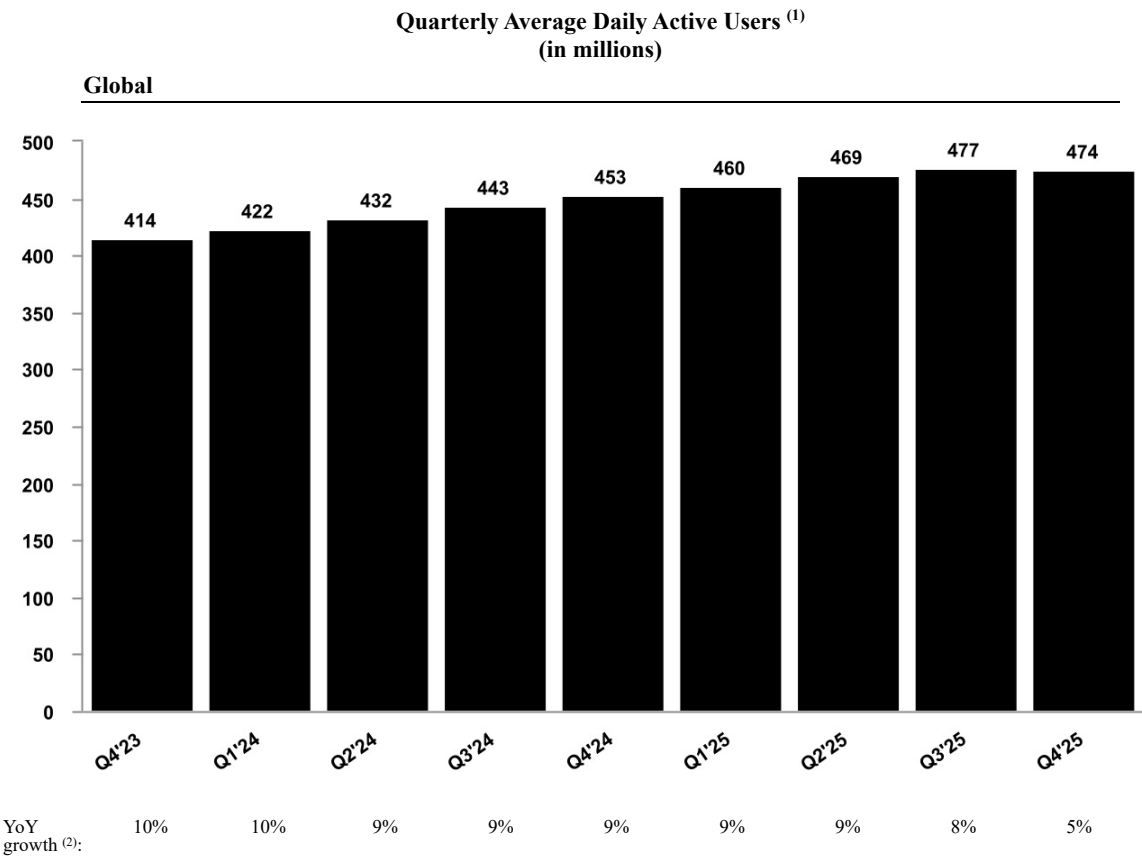
We compete with other companies in every aspect of our business. We must compete effectively for users and advertisers to grow our business and increase our revenue. These and other risks and uncertainties are further described in the sections titled “Competition” in Part I, Item 1. Business, and “Risk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

Trends in User Metrics

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 define ARPU as quarterly revenue divided by the average DAUs. We assess the health of our business by measuring 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.

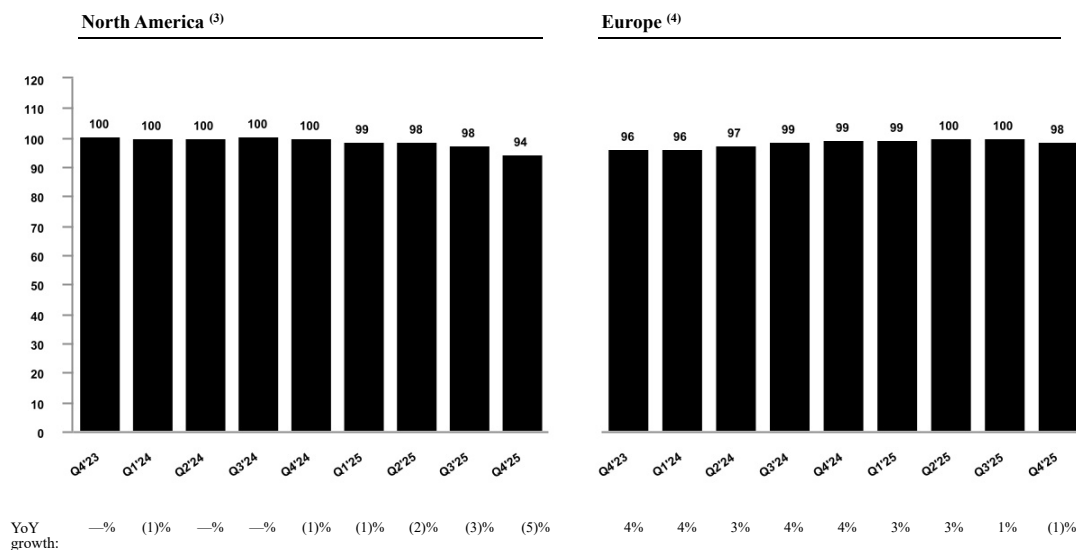
User Engagement

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 had 474 million DAUs on average in the fourth quarter of 2025, an increase of 21 million, or 5%, from the fourth quarter of 2024.

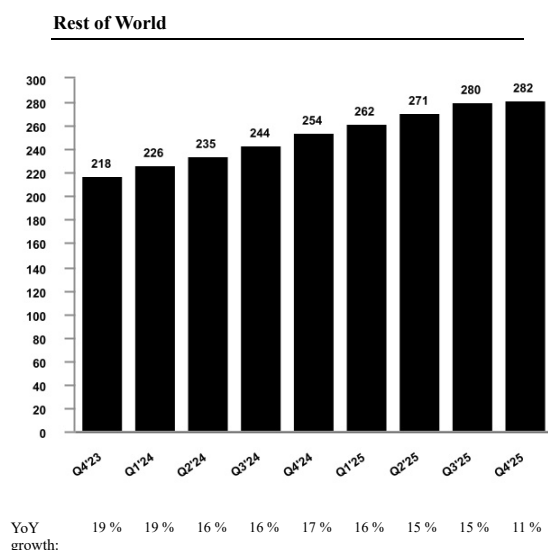


(1) Numbers may not foot due to rounding.

(2) In the first quarter of 2025, we refined our processes and controls to allow us to more accurately record user activity that would not otherwise be recorded during such period due to delays in receiving user metric information resulting from carrier or other user connectivity issues during the measurement period. For additional information concerning these refinements, see the “Note Regarding User Metrics and Other Data.” As a result of such refinements, our DAUs may not be directly comparable to those in prior periods, including in this table and the following tables below as they reflect a comparison to previously reported numbers.



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



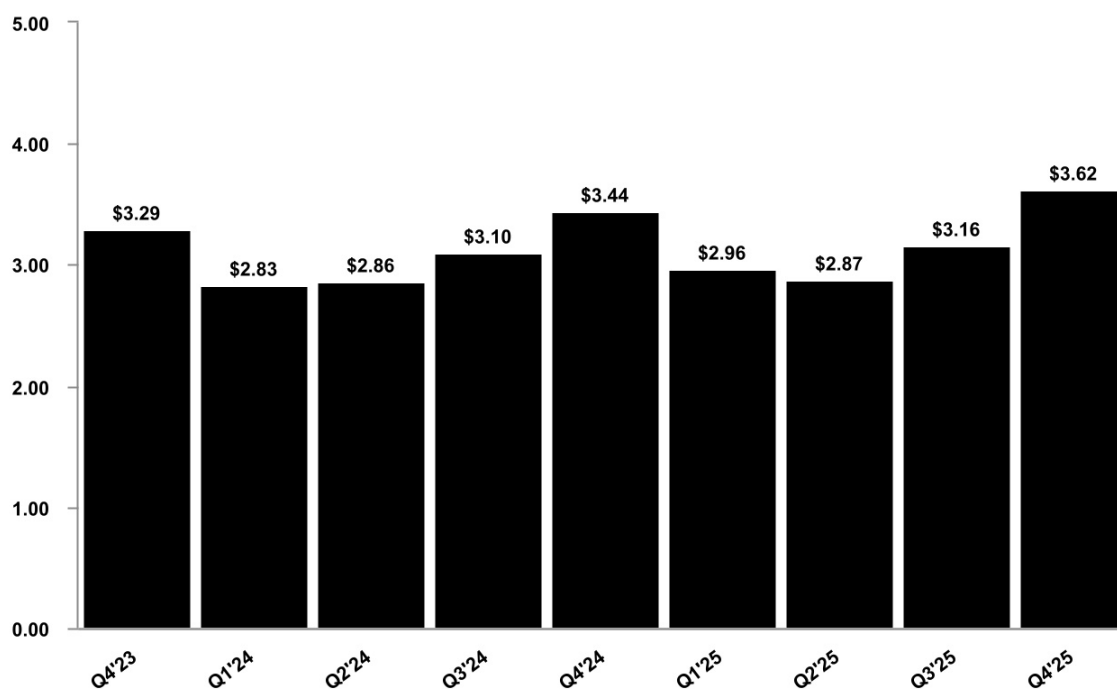
Monetization

We recorded revenue of \$5.9 billion for the year ended December 31, 2025, compared to revenue of \$5.4 billion for the year ended December 31, 2024, an increase of 11% year-over-year. We monetize our business primarily through advertising. Our advertising products include Snap Ads and AR Ads.

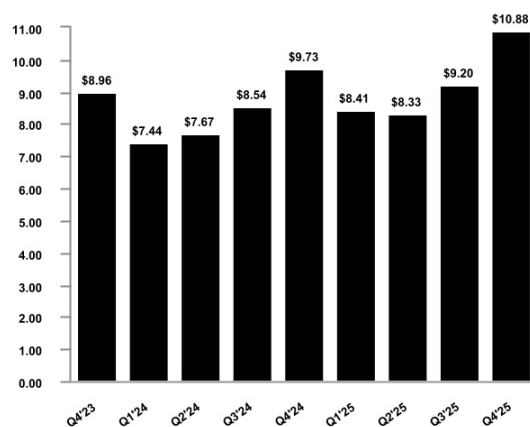
We measure our business using ARPU because it helps us understand the rate at which we are monetizing our daily user base. ARPU was \$3.62 in the fourth quarter of 2025, compared to \$3.44 in the fourth quarter of 2024. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on a determination of the geographic location in which 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 revenue is based on the billing address of the advertising customer.

Quarterly Average Revenue per User

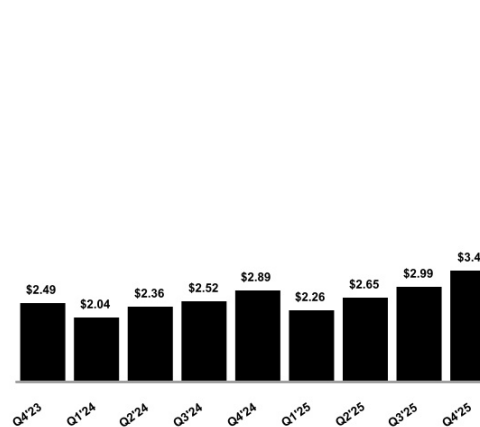
Global



North America ⁽¹⁾

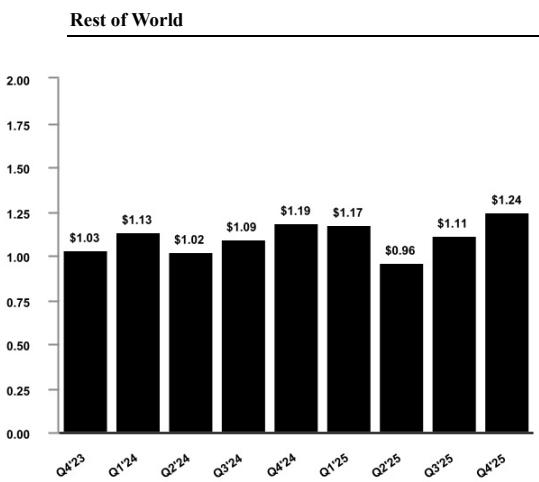


Europe ⁽²⁾



(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, such as an agreement with our AI platform partner, 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, tradeshow, 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 loss to Adjusted EBITDA.

Discussion of Results of Operations

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Consolidated Statements of Operations Data:			
Revenue	\$ 5,931,447	\$ 5,361,398	\$ 4,606,115
Costs and expenses ^{(1) (2)} :			
Cost of revenue	2,669,575	2,474,237	2,114,117
Research and development	1,793,601	1,691,683	1,910,862
Sales and marketing	1,021,305	1,063,675	1,122,092
General and administrative	979,133	919,097	857,423
Total costs and expenses	6,463,614	6,148,692	6,004,494
Operating income (loss)	(532,167)	(787,294)	(1,398,379)
Interest income	134,159	153,466	168,394
Interest expense	(121,998)	(21,552)	(22,024)
Other income (expense), net	68,870	(16,846)	(42,414)
Loss before income taxes	(451,136)	(672,226)	(1,294,423)
Income tax benefit (expense)	(9,353)	(25,630)	(28,062)
Net loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)
Adjusted EBITDA ⁽³⁾	\$ 689,479	\$ 508,605	\$ 161,577

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Stock-based compensation expense:			
Cost of revenue	\$ 7,426	\$ 6,034	\$ 9,555
Research and development	680,602	683,830	893,026
Sales and marketing	198,013	216,672	255,688
General and administrative	130,784	134,487	165,735
Total	\$ 1,016,825	\$ 1,041,023	\$ 1,324,004

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Depreciation and amortization expense:			
Cost of revenue	\$ 5,759	\$ 6,110	\$ 12,751
Research and development	101,531	99,656	106,278
Sales and marketing	21,363	19,947	26,161
General and administrative	34,980	32,361	23,251
Total	\$ 163,633	\$ 158,074	\$ 168,441

(3) See “Non-GAAP Financial Measures” in this Annual Report on Form 10-K for more information and for a reconciliation of Adjusted EBITDA to net 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:

	Year Ended December 31,		
	2025	2024	2023
Consolidated Statements of Operations Data:			
Revenue	100 %	100 %	100 %
Costs and expenses:			
Cost of revenue	45	46	46
Research and development	30	32	41
Sales and marketing	17	20	24
General and administrative	17	18	19
Total costs and expenses	109	115	130
Operating loss	(9)	(15)	(30)
Interest income	2	3	4
Interest expense	(2)	(1)	(1)
Other income (expense), net	1	—	(1)
Loss before income taxes	(8)	(13)	(28)
Income tax benefit (expense)	—	—	(1)
Net loss	(8)%	(13)%	(29)%

Revenue

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Revenue	\$ 5,931,447	\$ 5,361,398	\$ 4,606,115	\$ 570,049	11 %	\$ 755,283	16 %

2025 compared to 2024

Revenue for the year ended December 31, 2025 increased \$570.0 million compared to the same period in 2024. The increase was driven by a \$282.4 million increase in advertising revenue for the year ended December 31, 2025. The increase in advertising revenue was primarily driven by an increase in global advertising impressions volume of approximately 17% compared to the prior year, largely due to expanded advertising delivery within Sponsored Snaps and Spotlight. The increase in advertising revenue was partially offset by a decrease in the cost per advertising impression of approximately 10%, which is driven by strong growth in impressions delivery. The increase in total revenue was also driven by a \$287.6 million increase in other revenue, which is predominantly due to higher subscription revenue from growth in the number of subscribers.

Cost of Revenue

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Cost of Revenue	\$ 2,669,575	\$ 2,474,237	\$ 2,114,117	\$ 195,338	8 %	\$ 360,120	17 %

2025 compared to 2024

Cost of revenue for the year ended December 31, 2025 increased \$195.3 million compared to the same period in 2024. The increase was primarily driven by a \$143.0 million increase in infrastructure costs, attributable to DAU growth as

well as investments in machine learning and AI. The increase was also attributable to higher transaction processing fees resulting from growth in subscription revenues.

Research and Development Expenses

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
	(dollars in thousands)						
Research and Development Expenses	\$ 1,793,601	\$ 1,691,683	\$ 1,910,862	\$ 101,918	6 %	\$ (219,179)	(11)%

2025 compared to 2024

Research and development expenses for the year ended December 31, 2025 increased \$101.9 million compared to the same period in 2024. The increase was primarily due to investments in product development, including higher employee compensation due to additional research and development headcount. The increase was partially offset by \$38.8 million in restructuring charges recognized in 2024.

Sales and Marketing Expenses

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
	(dollars in thousands)						
Sales and Marketing Expenses	\$ 1,021,305	\$ 1,063,675	\$ 1,122,092	\$ (42,370)	(4)%	\$ (58,417)	(5)%

2025 compared to 2024

Sales and marketing expenses for the year ended December 31, 2025 decreased \$42.4 million compared to the same period in 2024. The decrease was primarily driven by the timing of marketing events occurring in the prior year, lower advertising and marketing investments, as well as \$19.9 million in restructuring charges recognized in 2024. The decrease was partially offset by higher employee compensation due to additional sales and marketing headcount.

General and Administrative Expenses

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
	(dollars in thousands)						
General and Administrative Expenses	\$ 979,133	\$ 919,097	\$ 857,423	\$ 60,036	7 %	\$ 61,674	7 %

2025 compared to 2024

General and administrative expenses for the year ended December 31, 2025 increased \$60.0 million compared to the same period in 2024. The increase was primarily driven by higher spend on external professional services, including legal-related expenses, partially offset by \$10.3 million in restructuring charges recognized in 2024.

Interest Income

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Interest Income	\$ 134,159	\$ 153,466	\$ 168,394	\$ (19,307)	(13)%	\$ (14,928)	(9)%

2025 compared to 2024

Interest income for the year ended December 31, 2025 decreased \$19.3 million compared to the same period in 2024, primarily driven by lower interest rates and decreased investments in marketable debt securities.

Interest Expense

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Interest Expense	\$ (121,998)	\$ (21,552)	\$ (22,024)	\$ (100,446)	466 %	\$ 472	(2)%

2025 compared to 2024

Interest expense for the year ended December 31, 2025 increased \$100.4 million compared to the same period in 2024. The increase was primarily driven by additional interest expense on our senior notes due in 2033 (the “2033 Notes”) and our senior notes due in 2034 (the “2034 Notes”), which were issued in February 2025 and August 2025, respectively.

Other Income (Expense), Net

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Other Income (Expense), Net	\$ 68,870	\$ (16,846)	\$ (42,414)	\$ 85,716	509 %	\$ 25,568	60 %

2025 compared to 2024

Other income, net for the year ended December 31, 2025 was \$68.9 million, compared to other expense, net of \$16.8 million for the same period in 2024. Other income, net for the current year was primarily driven by \$96.7 million in gains on extinguishment associated with the repurchases of certain outstanding convertible notes, which is discussed within Note 7 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, partially offset by \$12.6 million in net losses on strategic investments. Other expense, net in the prior year was primarily the result of \$7.4 million in net losses on strategic investments and a \$6.7 million net loss on extinguishment associated with the repurchases of certain outstanding convertible notes in the prior year.

Income Tax Benefit (Expense)

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Income Tax Benefit (Expense)	\$ (9,353)	\$ (25,630)	\$ (28,062)	\$ 16,277	64 %	\$ 2,432	9 %
Effective Tax Rate	(2.1)%	(3.8)%	(2.2)%				

2025 compared to 2024

Income tax expense was \$9.4 million for the year ended December 31, 2025, compared to \$25.6 million for the same period in 2024. The decrease of \$16.3 million was primarily attributable to a reduction in unrecognized tax benefits due to statute expirations and a reduction in U.S. federal and certain state tax liabilities due to the enactment of the One Big Beautiful Bill Act, which repealed the mandatory capitalization of domestic research and experimental expenditures for tax years beginning after December 31, 2024.

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.

For additional discussion, see Note 12 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Net Loss and Adjusted EBITDA

	Year Ended December 31,			2025 vs 2024 Change		2024 vs 2023 Change	
	2025	2024	2023	\$	%	\$	%
(dollars in thousands)							
Net Loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)	\$ 237,367	34 %	\$ 624,629	47 %
Adjusted EBITDA	\$ 689,479	\$ 508,605	\$ 161,577	\$ 180,874	36 %	\$ 347,028	215 %

2025 compared to 2024

Net loss for the year ended December 31, 2025 was \$460.5 million, compared to \$697.9 million for the same period in 2024. The decrease in net loss was primarily the result of the changes in revenues and expenses discussed above.

Adjusted EBITDA for the year ended December 31, 2025 was \$689.5 million, compared to \$508.6 million for the same period in 2024. The increase in Adjusted EBITDA was attributable to increased revenue and lower sales and marketing expenses, partially offset by higher cost of revenue, research and development expenses, and general and administrative expenses.

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

Liquidity and Capital Resources

Capital Resources

Cash, cash equivalents, and marketable securities were \$2.9 billion as of December 31, 2025, 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 financing activities. Our primary uses of cash include operating costs such as personnel-related costs and 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 December 31, 2025, approximately 7% 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 December 31, 2025 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 Annual Report on Form 10-K. The Credit Facility also contains an annual commitment fee of 0.10% on the daily undrawn balance of the facility. As of December 31, 2025, we had \$82.2 million in the form of outstanding standby letters of credit, with no amounts outstanding under the Credit Facility.

Material Cash Requirements

Debt

As of December 31, 2025, we had outstanding debt in the form of senior unsecured notes and senior convertible notes for an aggregate principal amount of \$3.5 billion, which mature from 2026 through 2034. Short-term and long-term future interest payment obligations as of December 31, 2025 were \$149.3 million and \$967.9 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 December 31, 2025, the Convertible Notes will not be eligible for optional conversion during the first quarter of 2026.

For additional discussion on our debt, see Note 7 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

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 \$3.4 billion in commitments as of December 31, 2025, primarily due within two years. For additional discussion on our leases, see Note 9 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Stock Repurchases

In November 2025, our board of directors authorized a stock repurchase program of up to \$500.0 million of our Class A common stock. Under this program, we repurchased and retired 29.4 million shares of our Class A common stock for \$250.3 million, including costs associated with the repurchase. As of December 31, 2025, the remaining availability under the stock repurchase authorization was \$250.0 million. This program was completed in January 2026.

In February 2026, our board of directors authorized an additional stock repurchase program of up to \$500 million of our Class A common stock. Repurchases of Class A common stock may be made from time to time and will be funded from existing cash and cash equivalents. Repurchases have been authorized for the next 12 months but the program may be initiated, modified, suspended, or terminated at any time during such period. For additional discussion on the program, see Note 20 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

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.

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 periods presented:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Net cash provided by (used in) operating activities	\$ 656,170	\$ 413,480	\$ 246,521
Net cash provided by (used in) investing activities	173,118	(717,084)	570,954
Net cash provided by (used in) financing activities	(848,125)	(428,624)	(458,789)
Change in cash, cash equivalents, and restricted cash	\$ (18,837)	\$ (732,228)	\$ 358,686
Free Cash Flow ⁽¹⁾	\$ 437,189	\$ 218,654	\$ 34,794

- (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 \$656.2 million for the year ended December 31, 2025, compared to net cash provided by operating activities of \$413.5 million for the year ended December 31, 2024, resulting primarily from our net loss, adjusted for non-cash items, including stock-based compensation expense of \$1.0 billion, depreciation and amortization expense of \$163.6 million and gains on debt extinguishment of \$96.7 million. Net cash provided by operating activities for the year ended December 31, 2025 was also driven by a \$45.9 million increase in accounts payable and a \$66.7 million increase in prepaid expenses and other current assets primarily due to the timing of payments, as well as a \$31.8 million increase in accounts receivable due to the timing of collections.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by investing activities was \$173.1 million for the year ended December 31, 2025, compared to net cash used in investing activities of \$717.1 million for the year ended December 31, 2024. Our investing activities for the year ended December 31, 2025 primarily consisted of maturities of marketable securities of \$977.2 million and sales of marketable securities of \$741.3 million, partially offset by purchases of marketable securities of \$1.3 billion and purchases of property and equipment of \$219.0 million. Our investing activities for the year ended December 31, 2024 primarily consisted of purchases of marketable securities of \$2.3 billion and purchases of property and equipment of \$194.8 million, partially offset by maturities of marketable securities of \$1.4 billion and sales of marketable securities of \$354.3 million.

Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities was \$848.1 million for the year ended December 31, 2025, compared to net cash used in financing activities of \$428.6 million for the year ended December 31, 2024. Our financing activities for the year ended December 31, 2025 primarily consisted of the repurchases of certain outstanding convertible notes for \$2.0 billion, repurchases of our Class A common stock for \$750.9 million, deferred payments for acquisitions of \$72.5 million, and the repayment of our convertible senior notes due in 2025 (the “2025 Notes”) for \$36.2 million, partially

offset by the issuance of the 2033 Notes and 2034 Notes for total net proceeds of \$2.0 billion. Our financing activities for the year ended December 31, 2024 primarily consisted of the repurchases of certain outstanding convertible notes for \$859.0 million, repurchases of our Class A common stock for \$311.1 million, and the purchase of the capped call transactions entered into in connection with the pricing of our convertible senior notes due in 2030 (the “2030 Notes”) for \$68.9 million, partially offset by the issuance of the 2030 Notes for net proceeds of \$740.4 million and the termination of the 2025 Capped Call Transactions for proceeds of \$62.7 million. Activities relating to our senior notes and convertible senior notes, including the capped call transactions, are discussed within Note 7 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Free Cash Flow

Free Cash Flow was \$437.2 million for the year ended December 31, 2025, compared to \$218.7 million for the year ended December 31, 2024. Free Cash Flow in all periods was composed of net cash provided by operating activities, resulting primarily from net loss, adjusted for non-cash items and changes in working capital. Free Cash Flow also included purchases of property and equipment of \$219.0 million for the year ended December 31, 2025, compared to \$194.8 million for the year ended December 31, 2024. Purchases of property and equipment in both 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:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Free Cash Flow reconciliation:			
Net cash provided by (used in) operating activities	\$ 656,170	\$ 413,480	\$ 246,521
Less:			
Purchases of property and equipment	(218,981)	(194,826)	(211,727)
Free Cash Flow	\$ 437,189	\$ 218,654	\$ 34,794

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Adjusted EBITDA reconciliation:			
Net loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)
Add (deduct):			
Interest income	(134,159)	(153,466)	(168,394)
Interest expense	121,998	21,552	22,024
Other (income) expense, net	(68,870)	16,846	42,414
Income tax (benefit) expense	9,353	25,630	28,062
Depreciation and amortization	163,633	154,459	159,999
Stock-based compensation expense	1,016,825	1,031,621	1,319,783
Payroll and other tax expense related to stock-based compensation	41,188	37,768	39,324
Restructuring charges ⁽¹⁾	—	72,051	40,850
Adjusted EBITDA	\$ 689,479	\$ 508,605	\$ 161,577

- (1) Restructuring charges in 2024 are primarily related to cash severance, stock-based compensation expense, and other charges associated with the 2024 restructuring. Restructuring charges in 2023 relating to the wind down of our AR Enterprise business were composed primarily of cash severance, stock-based compensation expense, and charges related to the revision of the useful lives and disposal of certain acquired intangible assets. Additionally, we recognized an income tax benefit of \$5.7 million relating to the wind down, which is included in the income tax (benefit) expense line item above. These charges are not reflective of underlying trends in our business. See Note 18 to our consolidated financial statements included in the “Financial Statements and Supplementary Data” in this Annual Report on Form 10-K for more information.

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 described below.

Revenue Recognition

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. Other revenue primarily consists of service revenue from our Snapchat subscriptions and partnerships, including an agreement with our AI platform partner. Other revenue also includes our subscriptions and sales of physical products.

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. For 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.

Valuation of Assets

The valuation and impairment assessment of certain assets requires significant judgment and assumptions such as the estimation of future cash flows, discount rates, useful lives, and market data of comparable assets, among others.

We measure certain financial instruments at fair value on a nonrecurring basis, consisting primarily of our strategic investments in privately held equity securities without readily determinable fair values. We adjust the carrying value of these equity 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. All strategic investments are reviewed periodically for impairment. When indicators of impairment exist, we prepare quantitative measurements of the fair value of our equity investments using a market approach or an income approach, which requires judgment and the use of unobservable inputs, including discount rates, investee revenues and costs, and comparable market data of private and public companies, among others.

We also evaluate the recoverability of our property and equipment, operating lease right-of-use assets, and intangible assets, excluding goodwill, when events or changes indicate the carrying amount of an asset may not be recoverable. Events and changes in circumstances considered in determining whether the carrying value of long-lived assets may not be recoverable include significant changes in performance relative to expected operating results, significant changes in asset use, and significant negative industry or economic trends and changes in our business strategy. Recoverability of these assets is measured by comparison of their carrying amount to future undiscounted cash flows to be generated. If impairment is indicated based on a comparison of the assets' carrying values and the undiscounted cash flows, the impairment loss is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Loss 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. When there appears to be a range of possible costs with equal likelihood, a liability is recorded based on the low-end of such range. However, the likelihood of a loss is often difficult to predict and determining a meaningful estimate of the loss or a range of loss may not be practicable based on the

information available, the potential effect of future events, and decisions by third parties impacting the ultimate resolution of the contingency. It is also not uncommon for such matters to be resolved over multiple reporting periods. During this time, relevant developments and new information must be continuously evaluated to determine both the likelihood of potential loss and whether it is possible to reasonably estimate a range of potential loss. We also disclose material contingencies when we believe that a loss is reasonably possible.

Significant judgment is required to determine both probability and the estimated amounts of loss contingencies. Such claims, suits, and proceedings are inherently unpredictable and subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change, it could have a material impact on our results of operations, financial position, and cash flows.

Income Taxes

We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgment is required in determining our uncertain tax positions, including estimates for transfer pricing which have been based upon analyses of appropriate arm's length prices.

We recognize a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Although we believe that we have adequately reserved for our uncertain tax positions, we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences may affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and results of operations.

Recent Accounting Pronouncements

See Note 1 to our consolidated financial statements included in "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this Annual Report on Form 10-K.

Item 7A. 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 liquidity risk as follows:

Interest Rate Risk

We had cash and cash equivalents totaling \$1.0 billion and \$1.0 billion as of December 31, 2025 and December 31, 2024, respectively. We had marketable securities totaling \$1.9 billion and \$2.3 billion as of December 31, 2025 and December 31, 2024, 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 \$18.2 million and \$22.5 million decrease in the market value of our cash equivalents and marketable securities as of December 31, 2025 and December 31, 2024, respectively.

As of December 31, 2025 and December 31, 2024, we had aggregate principal amounts of debt outstanding of \$3.5 billion and \$3.7 billion, respectively. Since our 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 Annual Report on Form 10-K.

Investment Valuation and Liquidity Risk

We hold equity securities in privately held and publicly traded companies, which expose us to valuation and liquidity 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 \$183.7 million and \$188.3 million as of December 31, 2025 and 2024, respectively.

Our investments in publicly traded equity securities are recorded at fair value using quoted market prices. Uncertainties in the global economic climate and financial markets could adversely impact the valuation of these investments and result in a material impairment or downward adjustment of their carrying values. Our investments in publicly traded equity securities had carrying values of \$9.5 million and \$12.4 million as of December 31, 2025 and 2024, respectively.

Item 8. Financial Statements and Supplementary Data.

SNAP INC.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Snap Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Snap Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 4, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

<i>Description of the Matter</i>	Revenue Recognition
	<p>As described in Note 2 to the consolidated financial statements, the Company generates the substantial majority of its revenues through the sale of its advertising products on Snapchat. Advertising revenue is primarily generated from the display of advertisements on Snapchat through contractual agreements with customers that are either based on the number of advertising impressions delivered or on a fixed fee basis for advertisements delivered over a period of time. Revenues related to agreements based on the number of advertising impressions delivered are recognized when the advertisements are served while fixed fee agreements are recognized ratably over the service period.</p> <p>The Company's advertising revenue recognition process utilizes proprietary systems for the initiation, processing, and recording of transactions which comprise a high volume of individually low monetary value transactions. This process is dependent on the effective design and operation of systems, data sources, and controls that required significant audit effort.</p>
<i>How We Addressed the Matter in Our Audit</i>	<p>With the support of our information technology professionals, we identified and tested the relevant systems used for the determination of initiation, processing, recording, and billing of revenue, which included processes and controls related to access to the relevant systems and data, changes to the relevant systems and interfaces, and configuration of the relevant systems.</p> <p>To test the Company's recognition of advertising revenue, our audit procedures included, among others, testing the completeness and accuracy of the underlying data within the Company's billing systems by agreeing amounts recognized to contractual terms and conditions, and testing revenue recognized to accounts receivable and cash receipts. Additionally, we examined standard customer online terms and conditions to understand the distinct performance obligations and tested the timing of revenue recognition.</p>

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Los Angeles, California

February 4, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Snap Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Snap Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Snap Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes, and our report dated February 4, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California

February 4, 2026

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

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	163,633	158,074	168,441
Stock-based compensation	1,016,825	1,041,023	1,324,004
Amortization of debt issuance costs and debt discount (premium)	6,880	9,388	7,361
Losses (gains) on debt and equity securities, net	16,940	8,460	33,027
(Gain) loss on extinguishment of debt	(96,734)	6,672	—
Other	26,119	(20,825)	(26,958)
Change in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable, net of allowance	(31,827)	(94,005)	(98,127)
Prepaid expenses and other current assets	(66,744)	(36,544)	(9,920)
Operating lease right-of-use assets	57,214	54,127	70,674
Other assets	7,705	(9,952)	2,238
Accounts payable	45,918	(100,728)	94,988
Accrued expenses and other current liabilities	12,814	150,391	62,130
Operating lease liabilities	(34,429)	(62,663)	(68,007)
Other liabilities	(7,655)	7,918	9,155
Net cash provided by (used in) operating activities	656,170	413,480	246,521
Cash flows from investing activities			
Purchases of property and equipment	(218,981)	(194,826)	(211,727)
Purchases of strategic investments	(22,500)	(2,000)	(7,770)
Sales of strategic investments	11,050	1,755	7,559
Cash paid for acquisitions, net of cash acquired	(35,499)	—	(50,254)
Purchases of marketable securities	(1,275,796)	(2,287,668)	(2,048,273)
Sales of marketable securities	741,266	354,311	459,481
Maturities of marketable securities	977,159	1,411,444	2,424,717
Other	(3,581)	(100)	(2,779)
Net cash provided by (used in) investing activities	173,118	(717,084)	570,954
Cash flows from financing activities			
Proceeds from issuance of notes, net of issuance costs	2,014,193	740,350	—
Purchase of capped calls	—	(68,850)	—
Proceeds from termination of capped calls	—	62,683	—
Proceeds from the exercise of stock options	374	12,798	1,038
Repurchases of Class A non-voting common stock	(750,866)	(311,069)	(189,394)
Deferred payments for acquisitions	(72,539)	(3,695)	(270,433)
Repurchases of convertible notes	(1,994,550)	(859,042)	—
Repayment of convertible notes	(36,240)	—	—
Other	(8,497)	(1,799)	—
Net cash provided by (used in) financing activities	(848,125)	(428,624)	(458,789)
Change in cash, cash equivalents, and restricted cash	(18,837)	(732,228)	358,686
Cash, cash equivalents, and restricted cash, beginning of period	1,050,234	1,782,462	1,423,776
Cash, cash equivalents, and restricted cash, end of period	\$ 1,031,397	\$ 1,050,234	\$ 1,782,462
Supplemental disclosures			
Cash paid for income taxes, net	\$ 26,716	\$ 24,686	\$ 30,924
Cash paid for interest	\$ 65,060	\$ 10,284	\$ 10,244

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2025	2024	2023
Revenue	\$ 5,931,447	\$ 5,361,398	\$ 4,606,115
Costs and expenses:			
Cost of revenue	2,669,575	2,474,237	2,114,117
Research and development	1,793,601	1,691,683	1,910,862
Sales and marketing	1,021,305	1,063,675	1,122,092
General and administrative	979,133	919,097	857,423
Total costs and expenses	6,463,614	6,148,692	6,004,494
Operating loss	(532,167)	(787,294)	(1,398,379)
Interest income	134,159	153,466	168,394
Interest expense	(121,998)	(21,552)	(22,024)
Other income (expense), net	68,870	(16,846)	(42,414)
Loss before income taxes	(451,136)	(672,226)	(1,294,423)
Income tax benefit (expense)	(9,353)	(25,630)	(28,062)
Net loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)
Net loss per share attributable to Class A, Class B, and Class C common stockholders (Note 3):			
Basic	\$ (0.27)	\$ (0.42)	\$ (0.82)
Diluted	\$ (0.27)	\$ (0.42)	\$ (0.82)
Weighted average shares used in computation of net loss per share:			
Basic	1,694,598	1,659,147	1,612,504
Diluted	1,694,598	1,659,147	1,612,504

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	2025	2024	2023
Net loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)
Other comprehensive income (loss), net of tax			
Unrealized gain (loss) on marketable securities, net of tax	4,745	4,590	8,269
Foreign currency translation	19,253	(9,027)	12,836
Total other comprehensive income (loss), net of tax	23,998	(4,437)	21,105
Total comprehensive loss	\$ (436,491)	\$ (702,293)	\$ (1,301,380)

See Notes to Consolidated Financial Statements.

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

	December 31,	
	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,030,435	\$ 1,046,534
Marketable securities	1,910,137	2,329,745
Accounts receivable, net of allowance	1,372,237	1,348,472
Prepaid expenses and other current assets	272,065	182,006
Total current assets	4,584,874	4,906,757
Property and equipment, net	578,075	489,088
Operating lease right-of-use assets	506,216	530,441
Intangible assets, net	66,613	86,363
Goodwill	1,720,769	1,689,785
Other assets	221,255	233,914
Total assets	\$ 7,677,802	\$ 7,936,348
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 219,793	\$ 173,197
Operating lease liabilities	48,479	24,885
Accrued expenses and other current liabilities	971,627	1,009,254
Short-term debt, net	46,969	36,212
Total current liabilities	1,286,868	1,243,548
Long-term debt, net	3,489,860	3,607,717
Operating lease liabilities, noncurrent	557,823	575,082
Other liabilities	61,756	59,240
Total liabilities	5,396,307	5,485,587
Commitments and contingencies (Note 8)		
Stockholders' equity		
Class A non-voting common stock, \$0.00001 par value. 3,000,000 shares authorized, 1,502,073 shares issued, 1,457,403 shares outstanding as of December 31, 2025, and 3,000,000 shares authorized, 1,483,718 shares issued, 1,436,495 shares outstanding as of December 31, 2024.	15	14
Class B voting common stock, \$0.00001 par value. 700,000 shares authorized, 22,523 shares issued and outstanding as of December 31, 2025, and December 31, 2024.	—	—
Class C voting common stock, \$0.00001 par value. 260,888 shares authorized, 231,627 shares issued and outstanding as of December 31, 2025 and December 31, 2024.	2	2
Treasury stock, at cost. 44,670 and 47,222 shares of Class A non-voting common stock as of December 31, 2025 and December 31, 2024, respectively.	(435,722)	(460,620)
Additional paid-in capital	16,637,324	15,644,132
Accumulated deficit	(13,946,816)	(12,735,461)
Accumulated other comprehensive income (loss)	26,692	2,694
Total stockholders' equity	2,281,495	2,450,761
Total liabilities and stockholders' equity	\$ 7,677,802	\$ 7,936,348

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,					
	2025		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount
Class A non-voting common stock						
Balance, beginning of period	1,436,495	\$ 14	1,391,341	\$ 14	1,319,930	\$ 13
Shares issued in connection with exercise of stock options under stock-based compensation plans	58	—	884	—	599	—
Issuance of Class A non-voting common stock for vesting of restricted stock units and restricted stock awards, net	104,991	1	70,167	—	86,557	1
Conversion of Class B voting common stock to Class A non-voting common stock	—	—	10	—	566	—
Repurchases of Class A non-voting common stock	(86,693)	—	(27,885)	—	(18,423)	—
Reissuances of Class A non-voting common stock for vesting of restricted stock units	2,552	—	1,978	—	2,112	—
Balance, end of period	1,457,403	15	1,436,495	14	1,391,341	14
Class B voting common stock						
Balance, beginning of period	22,523	—	22,528	—	22,529	—
Shares issued in connection with exercise of stock options under stock-based compensation plans	—	—	5	—	565	—
Conversion of Class B voting common stock to Class A non-voting common stock	—	—	(10)	—	(566)	—
Balance, end of period	22,523	—	22,523	—	22,528	—
Class C voting common stock						
Balance, beginning of period	231,627	2	231,627	2	231,627	2
Balance, end of period	231,627	2	231,627	2	231,627	2
Treasury stock						
Balance, beginning of period	47,222	(460,620)	49,200	(479,903)	51,312	(500,514)
Repurchases of Class A non-voting common stock	86,693	(750,866)	27,885	(311,069)	18,423	(189,394)
Retirement of Class A non-voting common stock	(86,693)	750,866	(27,885)	311,069	(18,423)	189,394
Reissuances of Class A non-voting common stock for vesting of restricted stock units	(2,552)	24,898	(1,978)	19,283	(2,112)	20,611
Balance, end of period	44,670	(435,722)	47,222	(460,620)	49,200	(479,903)
Additional paid-in capital						
Balance, beginning of period	—	15,644,132	—	14,613,404	—	13,309,828
Stock-based compensation expense	—	1,017,716	—	1,041,023	—	1,323,149
Shares issued in connection with exercise of stock options under stock-based compensation plans	—	374	—	12,798	—	1,038
Purchase of capped calls	—	—	—	(68,850)	—	—
Termination of capped calls	—	—	—	62,683	—	—
Reissuances of Class A non-voting common stock for vesting of restricted stock units	—	(24,898)	—	(19,283)	—	(20,611)
Other	—	—	—	2,357	—	—
Balance, end of period	—	16,637,324	—	15,644,132	—	14,613,404
Accumulated deficit						
Balance, beginning of period	—	(12,735,461)	—	(11,726,536)	—	(10,214,657)
Net loss	—	(460,489)	—	(697,856)	—	(1,322,485)
Retirement of Class A non-voting common stock	—	(750,866)	—	(311,069)	—	(189,394)
Balance, end of period	—	(13,946,816)	—	(12,735,461)	—	(11,726,536)
Accumulated other comprehensive income (loss)						
Balance, beginning of period	—	2,694	—	7,131	—	(13,974)
Other comprehensive income (loss), net of tax	—	23,998	—	(4,437)	—	21,105
Balance, end of period	—	26,692	—	2,694	—	7,131
Total stockholders' equity	<u>1,756,223</u>	<u>\$ 2,281,495</u>	<u>1,737,867</u>	<u>\$ 2,450,761</u>	<u>1,694,696</u>	<u>\$ 2,414,112</u>

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

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). 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. Certain reclassifications have been made in the prior periods to conform to the current year’s presentation. None of these reclassifications had a material impact on our consolidated financial statements.

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.

Concentrations of Business Risk

We currently use both Google Cloud and Amazon Web Services for our hosting requirements. A disruption or loss of service from one or both of these partners could seriously harm our ability to operate. Although we believe there are other qualified providers that can provide these services, a transition to a new provider could create a significant disruption to our business and negatively impact our consolidated financial statements.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash, cash equivalents, marketable securities, and accounts receivable. We maintain cash deposits, cash equivalent balances, and marketable securities with several financial institutions. Cash and cash equivalents may be withdrawn or redeemed on demand. We believe that the financial institutions that hold our cash and cash equivalents are financially sound and, accordingly, minimal credit risk exists with respect to these balances. We also maintain investments in U.S. government debt securities, publicly traded equity securities, corporate debt securities, and money market funds that carry high credit ratings and accordingly, minimal credit risk exists with respect to these balances.

We extend credit to our customers based on an evaluation of their ability to pay amounts due under contractual arrangement and generally do not obtain or require collateral.

Revenue Recognition

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. See Note 2 for additional information.

As a practical expedient, we do not disclose the value of unsatisfied performance obligations for contracts with an original expected duration of one year or less or contracts for which we recognize revenues at the amount to which we have the right to invoice for services provided.

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.

Advertising

Advertising costs are expensed as incurred and recorded within sales and marketing expenses in our consolidated statements of operations. For the years ended December 31, 2025, 2024, and 2023, advertising costs were \$23.6 million, \$57.7 million, and \$24.9 million, respectively.

Capital Structure

We have three classes of authorized common stock – Class A common stock, Class B common stock, and Class C common stock. Class A common stockholders have no voting rights, Class B common stockholders are entitled to one vote per share, and Class C common stockholders are entitled to ten votes per share. Shares of our Class B common stock are convertible into an equivalent number of shares of our Class A common stock and generally convert into shares of our Class A common stock upon transfer. Shares of our Class C common stock are convertible into an equivalent number of shares of our Class B common stock and generally convert into shares of our Class B common stock upon transfer.

Future Stock Split to be Effected in the Form of a Stock Dividend

In July 2022, our board of directors determined that it was advisable and in our best interest to approve a stock split to be effected in the form of a special dividend of one share of Class A common stock on each outstanding share of our common stock at a future date (the “Future Stock Split”). In connection with the Future Stock Split, we entered into certain agreements (the “Co-Founder Agreements”) with Evan Spiegel and Robert Murphy, our co-founders, and certain of their respective affiliates requiring them, among other things, to convert shares of Class B common stock and Class C common stock into Class A common stock under certain circumstances. In May 2024, the conditions for the declaration of such dividends were modified and the Co-Founder Agreements were amended to reflect such modifications. As modified, the Future Stock Split will not be declared and paid until the first business day following the date on which (i) the average of the volume weighted average price (the “VWAP”) per share of Class A common stock equals or exceeds \$40 per share for 90 consecutive trading days (the “90-Day VWAP”) and (ii) the ratio of the 90-Day VWAP to \$8.70 equals or exceeds the ratio of the average closing price of the S&P 500 Total Return index for the same 90 trading days for which the 90-Day VWAP was calculated to 8,862.85. If this does not occur by July 21, 2032, the Future Stock Split will not be declared and paid, and the Co-Founder Agreements will terminate.

No adjustments have been made to share or per share amounts for Class A common stock in the accompanying consolidated financial statements for the effects of the Future Stock Split as these triggering conditions have not been met.

Stock-based Compensation

We measure and recognize compensation expense for stock-based payment awards, including stock options, restricted stock units (“RSUs”), and restricted stock awards (“RSAs”) granted to employees, directors, and advisors, based on the grant date fair value of the awards. The grant date fair value of stock options is estimated using a Black-Scholes

option pricing model. The fair value of stock-based compensation for stock options is recognized on a straight-line basis, net of estimated forfeitures, over the period during which services are provided in exchange for the award. The grant date fair value of RSUs and RSAs is estimated based on the fair value of our underlying common stock.

RSUs and RSAs vest on the satisfaction of a service-based condition. The service condition for RSUs and RSAs is generally satisfied in equal monthly or quarterly installments over three or four years. For these awards, we recognize stock-based compensation expense on a straight-line basis over the requisite service period.

Stock-based compensation expense recognized for all periods presented is based on awards that are expected to vest, including an estimate of forfeitures. We estimate the forfeiture rate using historical forfeitures of equity awards and other expected changes in facts and circumstances, if any. A modification of the terms of a stock-based award is treated as an exchange of the original award for a new award with total compensation cost equal to the grant-date fair value of the original award plus the incremental value of the modification to the award.

The total recognized tax benefit related to stock-based compensation expense for all periods presented was immaterial as we have established valuation allowances to reduce our net deferred tax assets to the amount that is more likely than not to be realized. The majority of the future tax benefits that arise on settlement of RSUs, RSAs and stock options are in jurisdictions for which our net deferred tax assets have a full valuation allowance.

Income Taxes

We are subject to income taxes in the United States and numerous foreign jurisdictions. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the deferred tax asset or liability is expected to be realized or settled.

In evaluating our ability to recover deferred tax assets, we consider all available positive and negative evidence, including historical operating results, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Based on the level of historical losses, we have established a valuation allowance to reduce our net deferred tax assets to the amount that is more likely than not to be realized.

We recognize a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in our consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized. We recognize interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related income tax liability on our consolidated balance sheets.

Currency Translation and Remeasurement

The functional currency of the majority of our foreign subsidiaries is the U.S. dollar. Monetary assets and liabilities denominated in a foreign currency are remeasured into U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are remeasured at the average exchange rates during the period. Equity transactions and other non-monetary assets are remeasured using historical exchange rates. Foreign currency transaction gains and losses are recorded in other income (expense), net on our consolidated statement of operations. For those foreign subsidiaries where the local currency is the functional currency, adjustments to translate those statements into U.S. dollars are recorded in accumulated other comprehensive income (loss) in stockholders' equity.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with maturities of 90 days or less from the date of purchase.

Restricted Cash

Restricted cash primarily includes cash and cash equivalents that are legally restricted as to withdrawal or use in our operations. Restricted cash balances are included in other assets on our consolidated balance sheets.

Marketable Securities

We hold investments in marketable securities consisting of U.S. government securities, corporate debt securities, and publicly traded equity securities. We classify marketable investments in debt securities as available-for-sale investments in our current assets because they represent investments available for current operations.

Our available-for-sale investments in debt securities are carried at fair value with any unrealized gains and losses included in accumulated other comprehensive income (loss) in stockholders' equity. Available-for-sale debt securities with an amortized cost basis in excess of estimated fair value are assessed to determine what amount of that difference, if any, is caused by expected credit losses, with any allowance for credit losses recognized as a charge in other income (expense), net on our consolidated statements of income. We did not record any credit losses on our available-for-sale debt securities in any of the periods presented. We determine gains or losses on the sale or maturities of marketable securities using the specific identification method and these gains or losses are recorded in other income (expense), net in our consolidated statements of operations.

Publicly traded equity securities are carried at fair value with any unrealized gains and losses recorded in other income (expense), net in our consolidated statements of operations.

Strategic Investments

We hold strategic investments primarily in privately held companies, consisting primarily of equity securities without readily determinable fair values, and to a lesser extent, debt securities. We adjust the carrying value of these equity 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. All strategic investments are reviewed periodically for impairment. Any adjustments to carrying value of these investments are recorded in other income (expense), net in our consolidated statements of operations. Strategic investments are included within other assets in our consolidated balance sheets.

When we exercise significant influence over, but do not control the investee, such strategic investments are accounted for using the equity method. Under the equity method of accounting, we record our share of the results of the investments within other income (expense), net in our consolidated statements of operations.

Fair Value Measurements

Certain financial instruments are required to be recorded at fair value. Other financial instruments, including cash and cash equivalents and restricted cash, are recorded at cost, which approximates fair value. Additionally, accounts receivable, accounts payable, and accrued expenses approximate fair value because of the short-term nature of these financial instruments.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount less any allowance for doubtful accounts to reserve for potentially uncollectible receivables. To determine the amount of the allowance, we make judgments about the creditworthiness of customers based on ongoing credit evaluation and historical experience. As of December 31, 2025 and 2024, the allowance for doubtful accounts was immaterial.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. We compute depreciation using the straight-line method over the estimated useful lives of the assets, which is generally three years for computer hardware, software, and equipment, five years for furniture, and over the shorter of lease term or useful life of the assets for leasehold improvements. Buildings are generally depreciated over a useful life ranging from 20 to 45 years. Maintenance and repairs are expensed as incurred.

Leases

We have non-cancelable lease agreements, primarily for offices, that are recorded as operating lease right-of-use assets and operating lease liabilities in our consolidated balance sheets. We account for lease and non-lease components as

a single lease component and do not record leases with an initial term of twelve months or less in our consolidated balance sheets. We use our incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain we will exercise that option. Certain agreements have free rent periods or escalating rent payment provisions. Rent expense is recognized on a straight-line basis over the lease term.

Software Development Costs

Software development costs include costs to develop software to be used to meet internal needs and applications used to deliver our services. We capitalize development costs related to these software applications once the preliminary project stage is complete and it is probable that the project will be completed and the software will be used to perform the function intended. Costs capitalized for developing such software applications were not material for the periods presented. Software development costs that do not meet the criteria for capitalization and other research and development costs are expensed as incurred.

Segments

Our Chief Executive Officer (“CEO”) is our chief operating decision maker (“CODM”). Our CEO 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 reportable segment composed of the consolidated financial results of Snap Inc.

Business Combinations

We include the results of operations of the businesses that we acquire from the date of acquisition. We determine the fair value of the assets acquired and liabilities assumed based on their estimated fair values as of the respective date of acquisition. The excess purchase price over the fair values of identifiable assets and liabilities is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates, and selection of comparable companies. Our estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of acquisition, we may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill. At the conclusion of the measurement period, any subsequent adjustments are reflected in our consolidated statements of operations.

When we issue payments or grants of equity to selling stockholders in connection with an acquisition, we evaluate whether the payments or awards are compensatory. This evaluation includes whether cash payments or stock award vesting is contingent on the continued employment of the selling stockholder beyond the acquisition date. If continued employment is required for the cash to be paid or stock awards to vest, the award is treated as compensation for post-acquisition services and is recognized as compensation expense.

Transaction costs associated with business combinations are expensed as incurred, and are included in general and administrative expenses in our consolidated statements of operations.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. We test goodwill for impairment at least annually, in the fourth quarter, or whenever events or changes in circumstances indicate that goodwill might be impaired. For all periods presented, we had a single operating segment and reporting unit structure. There were no impairment charges in any of the periods presented.

Intangible Assets

Intangible assets are carried at cost and amortized on a straight-line basis over their estimated useful lives. We determine the appropriate useful life of our intangible assets by measuring the expected cash flows of acquired assets.

Impairment of Long-Lived Assets

We evaluate recoverability of our property and equipment, operating lease right-of-use assets, and intangible assets, excluding goodwill, when events or changes indicate the carrying amount of an asset may not be recoverable. Events and changes in circumstances considered in determining whether the carrying value of long-lived assets may not be recoverable include significant changes in performance relative to expected operating results, significant changes in asset use, and significant negative industry or economic trends and changes in our business strategy. Recoverability of these assets is measured by comparison of their carrying amount to future undiscounted cash flows to be generated. If impairment is indicated based on a comparison of the assets' carrying values and the undiscounted cash flows, the impairment loss is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Legal Contingencies

For legal contingencies, we accrue a liability for an estimated loss if the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated. Legal fees and expenses are expensed as incurred. Note 8 provides additional information regarding our legal contingencies.

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract. The accounting standard excludes from the scope of Topic 815, Derivatives and Hedging, certain contracts that are not traded on an exchange that include underlyings based on the operations or activities of one of the parties to the contract. The guidance also clarifies that an entity receiving share-based noncash consideration from a customer for the transfer of goods or services in a revenue contract is required to apply the noncash consideration guidance in Topic 606, Revenue from Contracts with Customers, unless and until the entity's right to receive or retain the share-based noncash consideration is unconditional under Topic 606. We early adopted ASU 2025-07 on a prospective basis. The impact of adoption of this standard on our consolidated financial statements, including accounting policies, processes, and systems, was not material.

In November 2024, the FASB issued ASU 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, which clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. We early adopted ASU 2024-04 on a prospective basis. The impact of adoption of this standard on our consolidated financial statements, including accounting policies, processes, and systems, was not material.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities to provide greater disaggregation within their annual rate reconciliation, including new requirements to present reconciling items on a gross basis in specified categories, disclose both percentages and dollar amounts, and disaggregate individual reconciling items by jurisdiction and nature when the effect of the items meet a quantitative threshold. The guidance also requires disaggregating the annual disclosure of income taxes paid, net of refunds received, by federal (national), state, and foreign taxes, with separate presentation of individual jurisdictions that meet a quantitative threshold. Effective January 1, 2025, we adopted ASU 2023-09 on a prospective basis. The impact of adoption of this standard to our accounting policies, processes, and systems was not material. Refer to Note 12 of these consolidated financial statements.

Accounting Standards Not Yet Adopted

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants by Business Entities. The accounting standard establishes authoritative guidance on the recognition, measurement and presentation of government grants received by business entities. The guidance is effective for annual reporting periods

beginning after December 15, 2028. Early adoption is permitted as of the beginning of an annual reporting period. The guidance is applied on a modified prospective, a modified retrospective, or a retrospective transition approach. We are currently evaluating the impact of adoption of this standard on our consolidated financial statements and disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which clarifies and modernizes the accounting for costs related to internal-use software. The guidance is effective for annual reporting periods, and interim reporting periods within those annual reporting periods, beginning after December 15, 2027. Early adoption is permitted as of the beginning of an annual reporting period. The guidance is applied on a prospective transition approach, a modified transition approach, or a retrospective transition approach. We are currently evaluating the impact of adoption of this standard on our consolidated financial statements and disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires public entities to provide a disclosure within the financial statement footnotes showing the disaggregation of certain expenses included in relevant expense captions on the consolidated income statement, with a qualitative description of the amounts that are not separately disaggregated quantitatively. The guidance also requires disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The guidance is applied on a prospective basis, with a retrospective option, and early adoption is permitted. We are currently evaluating the impact of adoption of this standard on our consolidated financial statements and disclosures.

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, including an agreement with our AI platform partner. These agreements are structured as fixed-fee arrangements with contract terms that may exceed one year, with revenue generally 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:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Advertising revenue	\$ 5,186,077	\$ 4,903,703	\$ 4,408,306
Other revenue	745,370	457,695	197,809
Total revenue	<u>\$ 5,931,447</u>	<u>\$ 5,361,398</u>	<u>\$ 4,606,115</u>

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
North America ^{(1) (2)}	\$ 3,473,174	\$ 3,236,217	\$ 2,952,301
Europe ⁽³⁾	1,092,092	957,075	772,078
Rest of World	1,366,181	1,168,106	881,736
Total revenue	<u>\$ 5,931,447</u>	<u>\$ 5,361,398</u>	<u>\$ 4,606,115</u>

(1) North America includes Mexico, the Caribbean, and Central America.

(2) United States revenue was \$3.4 billion, \$3.1 billion, and \$2.9 billion for the years ended December 31, 2025, 2024, and 2023, respectively.

(3) Europe includes Turkey. Europe also includes Russia and Belarus; however, we maintain a policy prohibiting sales to entities in these countries.

As of December 31, 2025, the aggregate amount of unsatisfied performance obligations in contracts with an original duration through the first quarter of 2027 was \$387.9 million, which is attributable to an agreement with our AI platform partner.

3. Net Loss per Share

We compute net loss per share using the two-class method required for multiple classes of common stock. We have three classes of authorized common stock for which voting rights differ by class.

Basic net loss per share is computed by dividing net loss attributable to each class of stockholders by the weighted-average number of shares of stock outstanding during the period, adjusted for RSAs for which the risk of forfeiture has not yet lapsed.

For the calculation of diluted net loss per share, net loss per share attributable to common stockholders for basic net loss per share is adjusted by the effect of dilutive securities, including awards under our equity compensation plans. Diluted net loss per share attributable to common stockholders is computed by dividing the resulting net loss attributable to

common stockholders by the weighted-average number of fully diluted common shares outstanding. We use the if-converted method for calculating any potential dilutive effect of the convertible senior notes due in 2025, 2026, 2027, 2028, and 2030 (collectively, the “Convertible Notes”) on diluted net loss per share. The Convertible Notes would have a dilutive impact on net income per share when the average market price of Class A common stock for a given period exceeds the respective conversion price of the Convertible Notes. For the periods presented, our potentially dilutive shares relating to stock options, RSUs, RSAs, and the Convertible Notes were not included in the computation of diluted net loss per share as the effect of including these shares in the calculation would have been anti-dilutive.

The numerators and denominators of the basic and diluted net loss per share computations for our common stock are calculated as follows for the years ended December 31, 2025, 2024, and 2023:

	Year Ended December 31,								
	2025			2024			2023		
				(in thousands, except per share data)					
	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C
Numerator:									
Net loss	\$ (391,426)	\$ (6,121)	\$ (62,942)	\$ (590,956)	\$ (9,475)	\$ (97,425)	\$ (1,114,039)	\$ (18,479)	\$ (189,967)
Net loss attributable to common stockholders	\$ (391,426)	\$ (6,121)	\$ (62,942)	\$ (590,956)	\$ (9,475)	\$ (97,425)	\$ (1,114,039)	\$ (18,479)	\$ (189,967)
Denominator:									
Basic shares:									
Weighted-average common shares - Basic	1,440,448	22,523	231,627	1,404,994	22,526	231,627	1,358,345	22,532	231,627
Diluted shares:									
Weighted-average common shares - Diluted	1,440,448	22,523	231,627	1,404,994	22,526	231,627	1,358,345	22,532	231,627
Net loss per share attributable to common stockholders:									
Basic	\$ (0.27)	\$ (0.27)	\$ (0.27)	\$ (0.42)	\$ (0.42)	\$ (0.42)	\$ (0.82)	\$ (0.82)	\$ (0.82)
Diluted	\$ (0.27)	\$ (0.27)	\$ (0.27)	\$ (0.42)	\$ (0.42)	\$ (0.42)	\$ (0.82)	\$ (0.82)	\$ (0.82)

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

	As of December 31,		
	2025	2024	2023
	(in thousands)		
Stock options	519	680	1,697
Unvested RSUs and RSAs	167,374	134,253	157,130
Convertible Notes (if-converted)	46,193	85,945	89,379

4. Stockholders' Equity

Common Stock

As of December 31, 2025, we are authorized to issue 3,000,000,000 shares of Class A non-voting common stock, 700,000,000 shares of Class B voting common stock, and 260,887,848 shares of Class C voting common stock, each with a par value of \$0.00001 per share. Class A common stockholders have no voting rights, Class B common stockholders are entitled to one vote per share, and Class C common stockholders are entitled to ten votes per share. Shares of our Class B common stock are convertible into an equivalent number of shares of our Class A common stock and generally convert into shares of our Class A common stock upon transfer. Shares of our Class C common stock are convertible into an equivalent number of shares of our Class B common stock and generally convert into shares of our Class B common stock upon transfer. Any dividends paid to the holders of the Class A common stock, Class B common stock, and Class C common stock will be paid on a pro rata basis. For the year ended December 31, 2025, we did not declare any dividends. On a liquidation event, as defined in our certificate of incorporation, any distribution to common stockholders is made on a pro rata basis to the holders of the Class A common stock, Class B common stock, and Class C common stock.

As of December 31, 2025, there were 1,502,073,263 shares issued and 1,457,403,389 shares outstanding of Class A common stock, and 22,523,290 shares and 231,626,943 shares issued and outstanding of Class B common stock and Class C common stock, respectively.

Stock-based Compensation Plans

We maintain one active stock-based employee compensation plan, the 2017 Equity Incentive Plan (the “2017 Plan”). In January 2017, our board of directors adopted the 2017 Plan, and in February 2017, our stockholders approved the 2017 Plan, effective on March 1, 2017. 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. The maximum term for stock options granted under the 2017 Plan may not exceed ten years from the date of grant. The 2017 Plan will terminate ten years from the date our board of directors approved the plan, unless it is terminated earlier by our board of directors.

The number of shares reserved for issuance under the 2017 Plan will increase automatically on January 1st of each calendar year, beginning on January 1, 2018 through January 1, 2027, by the lesser of (i) 5.0% of the total number of shares of our capital stock outstanding on December 31st of the immediately preceding calendar year, and (ii) a number determined by our board of directors. As of December 31, 2025, there were 96,392,672 shares of our Class A common stock reserved for future issuance under the 2017 Plan.

2017 Employee Stock Purchase Plan

In January 2017, our board of directors adopted the 2017 Employee Stock Purchase Plan (the “2017 ESPP”). Our stockholders approved the 2017 ESPP in February 2017. The 2017 ESPP became effective in connection with the IPO. A total of 16,484,690 shares of Class A common stock were initially reserved for issuance under the 2017 ESPP. No shares of our Class A common stock have been issued or offered under the 2017 ESPP. The number of shares of our Class A common stock reserved for issuance will automatically increase on January 1st of each calendar year, beginning on January 1, 2018 through January 1, 2027, by the lesser of (i) 1.0% of the total number of shares of our common stock outstanding on the last day of the calendar month before the date of the automatic increase, and (ii) 15,000,000 shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii). As of December 31, 2025, there were 16,484,690 shares of our Class A common stock reserved for future issuance under the 2017 ESPP.

Restricted Stock Units and Restricted Stock Awards

The following table summarizes the RSU and RSA activity for the year ended December 31, 2025:

	Number of Class A Shares	Weighted- Average Grant Date Fair Value
	(in thousands, except per share data)	
Unvested as of December 31, 2024	134,253	\$ 11.90
Granted	175,226	\$ 8.51
Vested	(107,610)	\$ 10.89
Forfeited	(34,495)	\$ 10.79
Unvested as of December 31, 2025	<u>167,374</u>	<u>\$ 9.23</u>

The weighted-average grant date fair value of RSUs and RSAs granted for the years ended December 31, 2025, 2024 and 2023 was \$8.51, \$12.92, and \$10.41, respectively. The total fair value of RSUs and RSAs vested for the years ended December 31, 2025, 2024, and 2023 was \$0.9 billion, \$0.9 billion, and \$1.0 billion, respectively.

Total unrecognized compensation cost related to outstanding RSUs and RSAs was \$1.4 billion as of December 31, 2025 and is expected to be recognized over a weighted-average period of 2.1 years.

Stock Options

The following table summarizes the stock option award activity under the 2017 Plan for the year ended December 31, 2025:

	Number of Class A Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
	(in thousands, except per share and year data)			
Outstanding as of December 31, 2024	680	\$ 16.01	4.51	\$ 253
Granted	—	\$ —	—	\$ —
Exercised	(58)	\$ 6.43	—	\$ —
Forfeited	(103)	\$ 12.56	—	\$ —
Outstanding as of December 31, 2025	519	\$ 17.77	3.74	\$ —
Exercisable as of December 31, 2025	519	\$ 17.77	3.74	\$ —
Vested and expected to vest as of December 31, 2025	519	\$ 17.77	3.74	\$ —

- (1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock option awards and the closing market price of our Class A common stock as of December 31, 2025 and December 31, 2024.

There were no stock options granted for the years ended December 31, 2025, 2024 and 2023, and no stock-based compensation expense from stock options for the years ended December 31, 2025 and 2024. Stock-based compensation expense from stock options for the year ended December 31, 2023 was not material.

As of December 31, 2025, there was no unrecognized compensation cost related to stock options granted under the 2017 Stock Plan.

There were no stock options that vested for the years ended December 31, 2025 and 2024. The total grant date fair value of stock options that vested for the year ended December 31, 2023 was \$1.1 million. The intrinsic value of stock options exercised for the years ended December 31, 2025, 2024, and 2023 was \$0.1 million, \$1.4 million, and \$12.3 million, respectively.

Stock-Based Compensation Expense

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Cost of revenue	\$ 7,426	\$ 6,034	\$ 9,555
Research and development	680,602	683,830	893,026
Sales and marketing	198,013	216,672	255,688
General and administrative	130,784	134,487	165,735
Total	\$ 1,016,825	\$ 1,041,023	\$ 1,324,004

Stock Repurchases

In November 2025, our board of directors authorized a stock repurchase program of up to \$500.0 million of our Class A common stock. Under this program, we repurchased and retired 29.4 million shares of our Class A common stock for \$250.3 million, including costs associated with the repurchases. As of December 31, 2025, the remaining availability under the stock repurchase authorization was \$250.0 million. This program was completed in January 2026.

In October 2024, our board of directors authorized a stock repurchase program of up to \$500.0 million of our Class A common stock. The program was completed in the second quarter of 2025. During the program, we repurchased and subsequently retired 57.3 million shares of our Class A common stock for an aggregate of \$500.6 million, representing the entire amount approved by our board of directors and the costs associated with the repurchases.

In October 2023, our board of directors authorized a stock repurchase program of up to \$500.0 million of our Class A common stock. The program was completed in the second quarter of 2024. During the program, we repurchased and subsequently retired 46.3 million shares of our Class A common stock for an aggregate of \$500.5 million, representing the entire amount approved by our board of directors and the costs associated with the repurchases.

5. Business Acquisitions

2025 Acquisitions

In 2025, the aggregate purchase consideration for business acquisitions was \$41.7 million, which primarily consisted of cash. Of the aggregate purchase consideration, \$24.5 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. The associated goodwill and intangible assets are deductible for tax purposes.

2023 Acquisitions

In 2023, the aggregate purchase consideration for business acquisitions was \$73.1 million, which primarily consisted of \$56.3 million in cash and \$12.6 million recorded in other liabilities in our consolidated balance sheet. Of the aggregate purchase consideration, \$42.8 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. The associated goodwill and intangible assets are not deductible for tax purposes.

Additional Information on 2025 and 2023 Acquisitions

The operating results of the above acquisitions were included in the results of our operations from the acquisition date and were not material to our consolidated revenue or consolidated operating loss. In addition, unaudited pro forma results of operations assuming the above acquisitions had taken place at the beginning of each period are not provided because the historical operating results of the acquired entities were not material and pro forma results would not be materially different from reported results for the periods presented.

6. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 were as follows:

	Goodwill (in thousands)
Balance as of December 31, 2023	\$ 1,691,827
Foreign currency translation	(2,042)
Balance as of December 31, 2024	\$ 1,689,785
Goodwill acquired	24,549
Foreign currency translation	6,435
Balance as of December 31, 2025	\$ 1,720,769

Intangible assets consisted of the following:

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		<u>\$ 359,241</u>	<u>\$ (292,628)</u>	<u>\$ 66,613</u>

As of December 31, 2024				
	Weighted-Average Remaining Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net
(in thousands, except years)				
Technology	2.3	\$ 308,333	\$ (238,189)	\$ 70,144
Patents	8.8	39,373	(23,286)	16,087
Other	2.0	6,745	(6,613)	132
Total intangible assets		<u>\$ 354,451</u>	<u>\$ (268,088)</u>	<u>\$ 86,363</u>

Amortization of intangible assets for the years ended December 31, 2025, 2024, and 2023 was \$45.5 million, \$60.0 million, and \$81.1 million, respectively. We revised the useful lives of certain customer relationships, trademarks, domain names, and technology for the years ended December 31, 2024 and 2023, which resulted in a \$3.2 million and \$19.9 million increase to amortization expense for the respective years.

As of December 31, 2025, the estimated intangible asset amortization expense for the next five years and thereafter is as follows:

	Estimated Amortization (in thousands)
Year ending December 31,	
2026	\$ 26,775
2027	18,599
2028	8,092
2029	4,789
2030	2,937
Thereafter	5,421
Total	<u>\$ 66,613</u>

7. Debt

Senior Notes

2034 Notes

In August 2025, we entered into a purchase agreement with certain counterparties 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 2034 Notes were issued pursuant to an indenture dated August 12, 2025. 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. Interest is payable in cash semi-annually in arrears beginning on March 15, 2026 at a rate of 6.875% per year. The effective interest rate of the 2034 Notes is 6.86%. The 2034 Notes mature on March 15, 2034 unless repurchased or redeemed in accordance with their terms prior to such date.

We may redeem for cash all or any portion of the 2034 Notes, at our option, at any time prior to September 15, 2028 at a redemption price equal to 100% of the principal amount of the 2034 Notes to be redeemed plus any accrued and unpaid interest and a “make-whole” premium as provided in the indenture. Furthermore, until September 15, 2028, we may redeem up to 40% of the original aggregate principal amount of the 2034 Notes with the net cash proceeds of certain equity offerings at a redemption price of 106.875% of the principal amount of the 2034 Notes to be redeemed plus accrued and unpaid interest. In addition, we may redeem all or any portion of the 2034 Notes at any time on or after September 15, 2028 at the redemption prices set forth in the indenture, plus any accrued and unpaid interest.

The 2034 Notes include customary terms and covenants, including certain events of default, after which the 2034 Notes may be due and payable immediately. In addition, if we experience certain change of control events, as described in the indenture, we will be required to make an offer to repurchase some or all of the 2034 Notes at a price equal to 101% of the principal amount of the 2034 Notes to be repurchased plus accrued and unpaid interest.

2033 Notes

In February 2025, we entered into a purchase agreement with certain counterparties 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 2033 Notes were issued pursuant to an indenture dated February 14, 2025. 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. Interest is payable in cash semi-annually in arrears beginning on September 1, 2025 at a rate of 6.875% per year. The effective interest rate of the 2033 Notes is 5.81%. The 2033 Notes mature on March 1, 2033 unless repurchased or redeemed in accordance with their terms prior to such date.

We may redeem for cash all or any portion of the 2033 Notes, at our option, at any time prior to March 1, 2028 at a redemption price equal to 100% of the principal amount of the 2033 Notes to be redeemed plus any accrued and unpaid interest and a “make-whole” premium as provided in the indenture. Furthermore, until March 1, 2028, we may redeem up to 40% of the original aggregate principal amount of the 2033 Notes with the net cash proceeds of certain equity offerings at a redemption price of 106.875% of the principal amount of the 2033 Notes to be redeemed plus accrued and unpaid interest. In addition, we may redeem all or any portion of the 2033 Notes at any time on or after March 1, 2028 at the redemption prices set forth in the indenture, plus any accrued and unpaid interest.

The 2033 Notes include customary terms and covenants, including certain events of default, after which the 2033 Notes may be due and payable immediately. In addition, if we experience certain change of control events, as described in the indenture, we will be required to make an offer to repurchase some or all of the 2033 Notes at a price equal to 101% of the principal amount of the 2033 Notes to be repurchased plus accrued and unpaid interest.

Convertible 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 are unsecured and unsubordinated obligations.

2025 Notes

In April 2020, we entered into a purchase agreement for the sale of an aggregate of \$1.0 billion principal amount of convertible senior notes due in 2025 (the “2025 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 2025 Notes were \$888.6 million, net of debt issuance costs and cash used to purchase the capped call transactions (the “2025 Capped Call Transactions”) discussed below. The 2025 Notes are unsecured and unsubordinated obligations. The outstanding balance of the 2025 Notes was repaid on the maturity date of May 1, 2025.

Additional terms related to 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
2025 Notes ⁽⁵⁾	May 1, 2025	May 6, 2023	February 1, 2025	46.1233	0.25 %	0.48 %
2026 Notes	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 Convertibles 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 \$21.68, \$22.81, \$89.25, \$56.34, and \$22.18 per share of our Class A common stock for the 2025 Notes, 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 2025 Notes was repaid on the maturity date of May 1, 2025.

As of December 31, 2025, 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 December 31, 2025 for the Convertible Notes, and as a result, the Convertible Notes will not be eligible for optional conversion during the first 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.

2025 Note Repurchases

In February 2025, we entered into various privately negotiated repurchase transactions 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 repurchase transactions 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 (collectively with the February 2025 repurchase transactions, 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 repurchase transactions 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.

2024 Note Repurchases

In February 2024, we entered into various privately negotiated repurchase transactions with certain holders of the 2025 Notes and 2026 Notes, pursuant to which we repurchased \$100.0 million in aggregate principal amount of the 2025 Notes and \$351.2 million in aggregate principal amount of the 2026 Notes for a cash repurchase price of \$440.7 million. The February 2024 repurchase transactions resulted in an \$8.8 million gain on extinguishment in the first quarter of 2024.

In May 2024, we entered into various privately negotiated repurchase transactions (collectively with the February 2024 repurchase transactions, the “2024 Note Repurchases”) with certain holders of the 2025 Notes and 2026 Notes, pursuant to which we repurchased \$147.9 million in aggregate principal amount of the 2025 Notes and \$237.5 million in aggregate principal amount of the 2026 Notes. The total cash repurchase price was \$418.3 million, which was \$34.1 million above the carrying value of the notes repurchased. The May 2024 repurchase transactions were accounted for as both a debt modification and a partial debt extinguishment, which resulted in a \$15.5 million loss on extinguishment in the second quarter of 2024. The portion accounted for as a debt modification resulted in a \$20.9 million decrease to the carrying value of the 2030 Notes, which included 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 December 31,							
2025				2024			
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:							
2025 Notes	\$ —	\$ —	\$ —	\$ 36,240	\$ (28)	\$ —	\$ 36,212
2026 Notes	47,013	(44)	—	249,754	(624)	—	249,130
2027 Notes	106,318	(264)	—	1,150,000	(4,984)	—	1,145,016
2028 Notes	514,191	(2,111)	—	1,500,000	(8,982)	—	1,491,018
2030 Notes	750,000	(6,197)	(16,238)	750,000	(7,582)	(19,865)	722,553
Senior Notes:							
2033 Notes	1,500,000	(23,288)	117,043	—	—	—	—
2034 Notes	550,000	(7,597)	8,003	—	—	—	—
Total Notes	\$ 3,467,522	\$ (39,501)	\$ 108,808	\$ 3,685,994	\$ (22,200)	\$ (19,865)	\$ 3,643,929

The following table summarizes interest expense related to our Notes:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Contractual interest expense	\$ 111,218	\$ 7,334	\$ 8,874
Amortization of debt issuance costs	14,121	6,637	6,880
Amortization of debt discount (premium)	(7,891)	2,269	—
Total interest expense	\$ 117,448	\$ 16,240	\$ 15,754

Capped Call Transactions

In connection with the pricing of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes, and the 2030 Notes, we entered into the 2025 Capped Call Transactions, 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 \$100.0 million, \$102.1 million, \$86.8 million, \$177.0 million, and \$68.9 million respectively. The cap price of the 2025 Capped Call Transactions, the 2026 Capped Call Transactions, the 2027 Capped Call Transactions, the 2028 Capped Call Transactions, and the 2030 Capped Call Transactions is initially \$32.12, \$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 May 2024, we entered into agreements to terminate all of the 2025 Capped Call Transactions, which resulted in \$62.7 million recorded within additional paid-in capital in our consolidated balance sheets.

As of December 31, 2025, 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 December 31, 2025, we had \$82.2 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. For additional discussion on leases, see Note 9 of these consolidated financial statements.

Our non-cancelable contractual commitments as of December 31, 2025 were as follows:

	Non-Cancelable Commitments (in thousands)
Year ending December 31,	
2026	\$ 1,609,584
2027	1,075,237
2028	104,372
2029	99,244
2030	98,397
Thereafter	437,020
Total non-cancelable contractual commitments	<u>\$ 3,423,854</u>

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.

Pending Matters

In November 2021, we and certain of our officers were named as defendants in a federal securities class action lawsuit purportedly brought on behalf of purchasers of our Class A common stock, alleging that we and certain of our officers made false or misleading statements and omissions concerning the impact that Apple’s App Tracking Transparency framework would have on our business. In September 2025, we reached a preliminary settlement agreement to resolve this matter for \$65.0 million, which we expect to be covered by insurance. This settlement is subject to court approval. If the settlement is not approved, we will continue to litigate the case. Although we believe we have meritorious defenses to this lawsuit, litigation is inherently uncertain, and an unfavorable outcome could seriously harm our business. The impact of this settlement on our consolidated financial statements is not expected to be material.

In August 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. Although we believe we have meritorious defenses to the claims, 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.

We are subject to various other legal proceedings and claims in the ordinary course of business, including certain patent, trademark, privacy, regulatory, and employment matters. 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 occasional adverse decisions or settlements may occur, we do not currently believe that the final disposition of any of our other pending matters will seriously harm our business or materially impact our financial condition, results of operations, and cash flows.

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 December 31, 2025. We believe the fair value of these liabilities is immaterial and accordingly have no liabilities recorded for these agreements as of December 31, 2025.

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 \$105.5 million, \$101.0 million, and \$101.0 million for the years ended December 31, 2025, 2024, and 2023, respectively.

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

	As of December 31,	
	2025	2024
Weighted-average remaining lease term	8.6	9.3
Weighted-average discount rate	6.1 %	6.1 %

The maturities of our operating lease liabilities as of December 31, 2025 were as follows:

	Operating Leases (in thousands)
Year ending December 31,	
2026	\$ 85,126
2027	95,850
2028	93,389
2029	89,320
2030	88,175
Thereafter	347,711
Total lease payments	799,571
Less: imputed interest	(193,269)
Present value of lease liabilities	\$ 606,302

As of December 31, 2025, we had additional operating leases that have not yet commenced for facilities with lease obligations of \$115.9 million. These operating leases will commence starting in 2026 with lease terms of approximately 12.7 years.

Cash payments included in the measurement of our operating lease liabilities, net of lease incentives received, were \$74.0 million, \$101.4 million, and \$89.8 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Lease liabilities arising from obtaining operating lease right-of-use assets were \$30.9 million, \$71.0 million, and \$220.2 million for the years ended December 31, 2025, 2024, and 2023, 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 as of December 31, 2025 and 2024:

	As of December 31,	
	2025	2024
	(in thousands)	
Initial cost	\$ 115,761	\$ 106,052
Cumulative upward adjustments	145,932	146,201
Cumulative downward adjustments, including impairments	(77,956)	(63,910)
Carrying value	<u>\$ 183,737</u>	<u>\$ 188,343</u>

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

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Gains (losses) recognized on strategic investments sold during the period, net	\$ 2,109	\$ (60)	\$ —
Unrealized gains on strategic investments still held at the reporting date	586	334	1,368
Unrealized losses, including impairments, on strategic investments still held at the reporting date	(15,304)	(7,703)	(28,423)
Gains (losses) on strategic investments, net	<u>\$ (12,609)</u>	<u>\$ (7,429)</u>	<u>\$ (27,055)</u>

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 loss to net cash provided by (used in) 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 December 31, 2025 and 2024:

		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

		December 31, 2024			
	Fair Value Hierarchy	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value
(in thousands)					
Cash		\$ 348,251	\$ —	\$ —	\$ 348,251
Cash equivalents:					
Money market funds	Level 1	694,323	—	(30)	694,293
U.S. government securities	Level 1	3,991	—	(1)	3,990
Total cash and cash equivalents		1,046,565	—	(31)	1,046,534
Marketable debt securities:					
U.S. government securities	Level 1	2,186,192	4,984	(3,292)	2,187,884
Corporate debt securities	Level 2	129,217	229	(5)	129,441
Total marketable debt securities		2,315,409	5,213	(3,297)	2,317,325
Total		\$ 3,361,974	\$ 5,213	\$ (3,328)	\$ 3,363,859

Gross unrealized losses on marketable debt securities were not material as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, 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 December 31, 2025, \$0.9 billion of our total \$1.9 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 hold investments in publicly traded companies with an aggregate carrying value of \$9.5 million and \$12.4 million as of December 31, 2025 and 2024, respectively, recorded as marketable securities. We classify these publicly traded equity securities within Level 1 because we use quoted market prices to determine their fair value. Gains

and losses recognized during the periods presented, which are included within other income (expense), net on our consolidated statements of operations, were as follows:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Gains (losses) recognized on publicly traded equity securities sold during the period, net	\$ —	\$ —	\$ 11,046
Unrealized gains (losses) on publicly traded equity securities still held at the reporting date, net	(5,636)	(1,185)	(17,731)
Gains (losses) on publicly traded equity securities, net	<u>\$ (5,636)</u>	<u>\$ (1,185)</u>	<u>\$ (6,685)</u>

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 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. As of December 31, 2024, the fair value of the 2025 Notes, the 2026 Notes, the 2027 Notes, the 2028 Notes and the 2030 Notes was \$35.5 million, \$242.7 million, \$998.5 million, \$1,226.6 million, and \$635.6 million, respectively. The estimated fair value of the Notes, which are classified as Level 2 financial instruments, was determined based on the estimated or actual 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 December 31,		
	2025	2024	2023
	(in thousands)		
Cash and cash equivalents	\$ 1,030,435	\$ 1,046,534	\$ 1,780,400
Restricted cash, included in other assets	962	3,700	2,062
Total cash, cash equivalents, and restricted cash	<u>\$ 1,031,397</u>	<u>\$ 1,050,234</u>	<u>\$ 1,782,462</u>

12. Income Taxes

The domestic and foreign components of pre-tax loss were as follows:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Domestic ⁽¹⁾	\$ (238,993)	\$ (280,877)	\$ (285,330)
Foreign ⁽¹⁾	(212,143)	(391,349)	(1,009,093)
Loss before income taxes	<u>\$ (451,136)</u>	<u>\$ (672,226)</u>	<u>\$ (1,294,423)</u>

- (1) Includes the impact of intercompany charges to foreign affiliates for financing, management fees, and research and development cost sharing, inclusive of stock-based compensation.

The components of our income tax (benefit) expense were as follows:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Current:			
Federal	\$ —	\$ 5,216	\$ —
State	4,631	6,811	8,585
Foreign	1,930	13,273	26,727
Total current income tax expense (benefit)	<u>6,561</u>	<u>25,300</u>	<u>35,312</u>
Deferred:			
Federal	1,542	1,595	1,267
State	1,061	1,027	1,061
Foreign	189	(2,292)	(9,578)
Total deferred income tax expense (benefit)	<u>2,792</u>	<u>330</u>	<u>(7,250)</u>
Income tax expense (benefit)	<u>\$ 9,353</u>	<u>\$ 25,630</u>	<u>\$ 28,062</u>

The following is a reconciliation of the U.S. statutory federal income tax rate to our effective tax rate. We adopted ASU 2023-09 prospectively for the fiscal year 2025. Prior period disclosures have not been retrospectively adjusted and may not be comparable to the current period presentation under the new standard.

	Year Ended December 31,	
	2025	
	Amount	Percent
	(dollars in thousands)	
U.S. federal statutory tax rate	\$ (94,739)	21.0 %
Total state and local income taxes ⁽¹⁾	2,506	(0.6)
Foreign tax effects		
United Kingdom		
Statutory tax rate difference between United Kingdom and United States	(1,991)	0.4
Changes in valuation allowances	(57,537)	12.8
Other	(1,534)	0.3
Singapore		
Statutory tax rate difference between Singapore and United States	8,588	(1.9)
Changes in valuation allowances	37,952	(8.4)
Other	2,240	(0.5)
Other foreign jurisdictions	2,305	(0.5)
Tax credits		
Research and development tax credits	(92,642)	20.6
Changes in valuation allowances	110,612	(24.5)
Nontaxable or nondeductible items		
Stock-based payment awards	52,357	(11.6)
Other	8,869	(2.0)
Changes in unrecognized tax benefits	32,367	(7.2)
Total income tax expense (benefit)	\$ 9,353	(2.1)%

(1) State taxes in California contributed to the majority of the tax effect in this category.

The following is a reconciliation of the statutory federal income tax rate to our effective tax rate for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Tax benefit (expense) computed at the federal statutory rate	21.0 %	21.0 %
State tax benefit (expense), net of federal benefit ⁽¹⁾	3.9	2.2
Change in valuation allowance	(31.0)	(31.5)
Differences between U.S. and foreign tax rates on foreign income	(0.3)	3.3
Stock-based compensation	(6.4)	(7.0)
U.S. federal research & development credit benefit	11.0	8.6
Acquisitions and divestitures	(1.0)	1.8
Other benefits (expenses)	(1.0)	(0.6)
Total income tax benefit (expense)	(3.8)%	(2.2)%

(1) Inclusive of state research and development credits.

As a result of our prospective adoption of ASU 2023-09 as of January 1, 2025, the following table presents income taxes paid, net of refunds, disaggregated by jurisdiction in accordance with the new disclosure requirement for the year ended December 31, 2025:

	Year Ended December 31, 2025	
	(in thousands)	
U.S. federal	\$	1,500
U.S. states and local		2,660
Foreign		
Canada		1,395
France		5,437
Germany		6,191
Israel		2,950
Netherlands		1,453
Other		5,130
Total foreign		22,556
Total income taxes paid	\$	26,716

The significant components of net deferred tax balances were as follows:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Deferred tax assets:		
Accruals and reserves	\$ 23,230	\$ 16,413
Intangible assets	199,140	139,612
IRC 174 capitalized R&D	440,540	598,669
Stock-based compensation	23,686	58,171
Loss carryforwards	2,865,653	2,757,814
Tax credit carryforwards	1,169,703	1,060,486
Operating lease liabilities	134,620	128,072
Other	97,987	67,958
Total deferred tax assets	4,954,559	4,827,195
Deferred tax liabilities:		
Operating lease right-of-use assets	(113,448)	(112,907)
Unrealized gains in securities and investments	(13,544)	(18,333)
Other	(20,784)	(18,445)
Total deferred tax liabilities	(147,776)	(149,685)
Total net deferred tax assets before valuation allowance	4,806,783	4,677,510
Valuation allowance	(4,808,739)	(4,677,088)
Net deferred taxes	\$ (1,956)	\$ 422

During the year ended December 31, 2025, we completed an intra-group transaction, which resulted in the recognition of U.S. deferred tax assets and the reversal of U.K. deferred tax assets. Both are subject to a full valuation allowance and, accordingly, the transaction did not result in a net income tax benefit or expense or a net impact to the consolidated balance sheet.

Income tax expense was \$9.4 million for the year ended December 31, 2025, compared to \$25.6 million for the same period in 2024. The decrease of \$16.3 million was primarily attributable to a reduction in unrecognized tax benefits due to statute expirations and a reduction in U.S. federal and certain state tax liabilities due to the enactment of the One Big Beautiful Bill Act, which repealed the mandatory capitalization of domestic research and experimental expenditures for tax years beginning after December 31, 2024.

As of December 31, 2025, we had an immaterial amount of unremitted earnings related to certain foreign subsidiaries. We intend to continue to reinvest these foreign earnings indefinitely and do not expect to incur any significant taxes related to such amounts.

As of December 31, 2025, we had accumulated U.S. federal and state net operating loss carryforwards of \$6.5 billion and \$4.4 billion, respectively. Because they were generated after December 31, 2017, these U.S. federal net operating loss carryforwards can 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 significant state net operating loss carryforwards will begin to expire in 2031. As of December 31, 2025, we had \$4.9 billion of U.K. net operating loss carryforwards that 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. As of December 31, 2025, we had accumulated \$420.0 million of Singapore net operating loss carryforwards, which can be carried forward indefinitely and are not subject to any taxable income limitation. As of December 31, 2025, we had accumulated U.S. federal and state research tax credits of \$1.0 billion and \$574.8 million, respectively. The U.S. federal research tax credits will begin to expire in 2035. The U.S. state research tax credits do not expire.

We recognize valuation allowances on deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized. We had valuation allowances against net deferred tax assets of \$4.8 billion and \$4.7 billion as of December 31, 2025 and 2024, respectively. In 2025, the increase in the valuation allowance was primarily attributable to a net increase in our deferred tax assets resulting from the loss from operations.

Uncertain Tax Positions

The following table summarizes the activity related to our gross unrecognized tax benefits for the years ended December 31, 2025, 2024, and 2023:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Beginning balance of unrecognized tax benefits	\$ 562,808	\$ 513,404	\$ 510,669
Additions for current year tax positions	119,255	49,536	46,188
Additions for prior year tax positions	421	1,163	10,171
Reductions for prior year tax positions	(3,935)	(622)	(16,736)
Changes due to lapse of statute of limitations	(10,855)	(99)	(31,786)
Reductions for settlements with taxing authorities	—	—	(4,927)
Changes due to foreign currency translation adjustments	1,858	(574)	(175)
Ending balance of unrecognized tax benefits (excluding interest and penalties)	669,552	562,808	513,404
Interest and penalties associated with unrecognized tax benefits	1,791	1,918	967
Ending balance of unrecognized tax benefits (including interest and penalties)	\$ 671,343	\$ 564,726	\$ 514,371

Substantially all of the unrecognized tax benefit was recorded as a reduction in our gross deferred tax assets, offset by a corresponding reduction in our valuation allowance. In addition, we record separate deferred tax assets related to potential competent authority relief under applicable income tax treaties, which are fully offset by a valuation allowance. We have net unrecognized tax benefits of \$27.8 million and \$35.8 million included in other liabilities on our consolidated balance sheet as of December 31, 2025 and 2024, respectively, which, if recognized, would result in a tax benefit.

Our policy is to recognize interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related income tax liability on our consolidated balance sheets. For the year ended December 31, 2025, interest expense recorded related to uncertain tax positions was not material.

The income taxes we pay are subject to potential review by taxing jurisdictions globally. Our estimate of the potential outcome of any uncertain tax position is subject to management's assessment of relevant risks, facts, and circumstances existing at that time. We believe that our estimate has adequately provided for these matters. However, our future results may include adjustments to estimates in the period the audits are resolved, which may impact our effective tax rate.

The material tax jurisdictions in which we are subject to potential examination include the United States for tax years ending on or after December 31, 2012, and the United Kingdom for tax years ending on or after December 31, 2020. We are currently under examination by the U.S. Internal Revenue Service for tax year 2022, U.K. tax authorities for tax years 2020 through 2023, and also in various other jurisdictions covering multiple tax years.

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, 2024	\$ 1,730	\$ 964	\$ 2,694
Other comprehensive income (loss) before reclassifications	3,470	19,253	22,723
Amounts reclassified from AOCI ⁽¹⁾	1,275	—	1,275
Net current period other comprehensive income (loss)	4,745	19,253	23,998
Balance as of December 31, 2025	\$ 6,475	\$ 20,217	\$ 26,692

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

14. Property and Equipment, Net

Property and equipment, net, consisted of the following:

	As of December 31,	
	2025	2024
	(in thousands)	
Computer hardware and software	\$ 65,466	\$ 67,796
Buildings	21,486	21,486
Leasehold improvements	560,551	450,826
Furniture and equipment	259,673	214,619
Construction in progress	41,301	63,284
Total	948,477	818,011
Less: accumulated depreciation	(370,402)	(328,923)
Property and equipment, net	\$ 578,075	\$ 489,088

Depreciation on property and equipment was \$118.1 million, \$98.0 million, and \$87.3 million for the years ended December 31, 2025, 2024, and 2023, respectively. Noncash property and equipment additions in accounts payable, accrued

expenses and other current liabilities were \$32.5 million, \$29.3 million, and \$44.5 million for the years ended December 31, 2025, 2024, and 2023, respectively.

15. Balance Sheet Components

Accrued expenses and other current liabilities as of December 31, 2025 and 2024 consisted of the following:

	As of December 31,	
	2025	2024
	(in thousands)	
Accrued infrastructure costs	\$ 327,980	\$ 377,022
Deferred revenue	145,210	112,769
Accrued compensation and related expenses	77,812	85,416
Accrued professional fees	71,407	69,618
Accrued revenue share	63,885	84,990
Accrued operating costs	61,315	62,375
Deferred payments for acquisitions	3,789	76,434
Other	220,229	140,630
Total accrued expenses and other current liabilities	<u>\$ 971,627</u>	<u>\$ 1,009,254</u>

16. Employee Benefit Plans

We have a defined contribution savings plan for U.S.-based employees under the provisions of the U.S. Internal Revenue Code Section 401(k) (the “401(k) Plan”). The 401(k) Plan is available for all full-time employees who meet certain eligibility requirements. Eligible employees may contribute up to 100% of their eligible compensation, but are limited to the maximum annual dollar amount allowable under the Code. We match 100% of each participant’s contribution up to a maximum of 3% of the participant’s eligible compensation paid during the period, and also match 50% of each participant’s contribution between 3% and 5% of the participant’s eligible compensation paid during the period. For the years ended December 31, 2025, 2024, and 2023, we recognized expense of \$29.5 million, \$29.6 million, and \$34.0 million, respectively, related to matching contributions.

17. Related Party Transactions

In November 2020, we entered into a ground sublease with an entity that is controlled by our CEO that allows us to build and operate a hangar to support our aviation program. This entity subleases the ground to us for \$0 and in exchange may utilize a specified percentage of the hangar space. If the entity needs additional space within the hangar, it will pay rent to Snap at a fair market value rate determined at the time this arrangement was entered into. Any space utilized by this entity will be space that is not required for Snap’s aviation program. Subject to certain limited exceptions, neither party may terminate this sublease for at least six years. After this period, Snap or this entity may terminate the lease at any time on 24 months’ prior written notice. Upon termination of the sublease, this entity will purchase the hangar from Snap at its fair market value on the termination date.

The value of these arrangements is not material to our consolidated financial statements for the periods presented or for the term of the agreement.

18. Restructuring

2024 Restructuring

In the first quarter of 2024, we announced a plan to reduce hierarchy and concentrate our team members in major hub locations to support in-person collaboration, resulting in the reduction of our global headcount by approximately 10%. We completed the 2024 restructuring in the second quarter of 2024.

The following table summarizes the 2024 restructuring charges included in our consolidated statement of operations for the year ended December 31, 2024:

	Severance and Related Charges ⁽¹⁾	Stock-Based Compensation Expense	Other ⁽²⁾	Total
	(in thousands)			
Cost of revenue	\$ 932	\$ 189	\$ —	\$ 1,121
Research and development	30,845	4,801	3,201	38,847
Sales and marketing	15,755	4,176	—	19,931
General and administrative	7,786	236	2,236	10,258
Total	<u>\$ 55,318</u>	<u>\$ 9,402</u>	<u>\$ 5,437</u>	<u>\$ 70,157</u>

- (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 intangible asset amortization and depreciation expense.

AR Enterprise Strategic Review

In the third quarter of 2023, we initiated the wind down of our AR Enterprise business, which included a reduction of our global employee headcount by approximately 3%. We substantially completed the program in the fourth quarter of 2023.

During the year ended December 31, 2023, we recognized pre-tax restructuring charges of \$40.8 million, primarily recorded in sales and marketing and general and administrative expenses in our consolidated statement of operations, and an income tax benefit of \$5.7 million. The pre-tax restructuring charges primarily include cash severance, stock-based compensation expense, and charges related to the revision of the useful lives and disposal of certain acquired intangible assets.

19. Segments and Geographic Information

Our CEO is our 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 loss as reported on our consolidated statements of operations. Net 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:

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
Revenue	\$ 5,931,447	\$ 5,361,398	\$ 4,606,115
Less:			
Infrastructure costs	1,584,147	1,441,134	1,171,993
Content and developer partner costs	621,442	634,977	621,971
Advertising partner and other costs	450,508	384,804	297,262
Operating expenses	2,585,871	2,391,878	2,353,312
Stock-based compensation and related payroll and other tax expense	1,058,013	1,069,389	1,359,107
Depreciation and amortization	163,633	154,459	159,999
Other segment items ⁽¹⁾	(71,678)	(17,387)	(35,044)
Net loss	\$ (460,489)	\$ (697,856)	\$ (1,322,485)

- (1) Other segment items primarily include interest income; interest expense; other income (expense), net; and income tax benefit (expense) as reported in our consolidated statements of operations. Other segment items also include restructuring charges of \$72.1 million and \$40.8 million for the years ended December 31, 2024 and 2023, respectively.

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 December 31,	
	2025	2024
	(in thousands)	
United States	\$ 710,984	\$ 682,173
United Kingdom	245,911	248,243
Rest of world ⁽¹⁾	127,396	89,113
Total long-lived assets, net	\$ 1,084,291	\$ 1,019,529

- (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.

20. Subsequent Events

In February 2026, our board of directors authorized a stock repurchase program of up to \$500 million of our Class A common stock. Repurchases of Class A common stock may be made from time to time, either through open market transactions (including pre-set trading plans) or through other transactions in accordance with applicable securities laws. Repurchases have been authorized for the next 12 months but the program may be initiated, modified, suspended, or terminated at any time during such period.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. 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 Exchange Act), as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Annual Report on Form 10-K 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

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 Annual Report on Form 10-K 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.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2025 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. Our independent registered public accounting firm, Ernst & Young LLP, has issued an audit report with respect to our internal control over financial reporting, which appears in Part II, Item 8 in this Annual Report on Form 10-K.

Item 9B. Other Information

Insider Trading Arrangements

During the quarter ended December 31, 2025, 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:

Name and Position	Date	Action	Rule 10b5-1*	Expiration Date	Total Shares of Class A Common Stock to be Sold
Robert C. Murphy <i>Co-Founder, Chief Technology Officer, and Director</i>	11/11/2025	Adoption ⁽²⁾	X	03/10/2027	⁽¹⁾
Poppy Thorpe <i>Director</i>	12/2/2025	Adoption	X	3/2/2027	Up to 60,725
Evan Spiegel <i>Co-Founder, Chief Executive Officer, and Director</i>	12/10/2025	Adoption ⁽²⁾	X	12/31/2026	⁽³⁾

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

- (1) Trading arrangement provides for the sale of up to 8,000,000 shares of Class A Common Stock by a revocable trust over which Mr. Murphy serves as trustee, plus the gift by such trust of the number of shares necessary to attain a value equal to 30% of such gross sale proceeds, and for the sale of a sufficient amount of shares to generate \$3,000,000 in gross sale proceeds by an irrevocable trust over which Mr. Murphy serves as a trustee, but has no financial interest.
- (2) Plan adopted in accordance with Rule 10b5-1(c)(1)(ii)(D)(2).
- (3) Trading arrangement provides for the sale of a number of shares of Class A Common Stock with a value equal up to \$30,000,000 by a revocable trust over which Mr. Spiegel serves as trustee, and for the sale of up to 1,000,000 shares of Class A Common Stock by an irrevocable trust over which Mr. Spiegel serves as a trustee, but has no financial interest.

2026 Discretionary Bonus Program

On February 3, 2026, the compensation committee of our board of directors approved the 2026 Bonus Program. The 2026 Bonus Program provides executive officers and other eligible employees the opportunity to earn bonuses for the period from January 1, 2026 through December 31, 2026. Bonuses will be based on the achievement of certain company-wide priorities and objectives and the contributions and efforts of the eligible participants, in each case as determined by the compensation committee.

After December 31, 2026, the compensation committee will evaluate the level of achievement of certain company-wide priorities and objectives, and the contributions and efforts of the eligible participants. Each eligible participant in the 2026 Bonus Program may receive a bonus, as determined by the compensation committee, in an amount up to 50% of such participant's annual base salary as of December 31, 2026. All or any portion of an earned bonus may be paid in shares of Class A common stock granted under the Snap Inc. 2017 Equity Incentive Plan. The compensation committee also has the right to adjust the bonus target of any participant upward in the event of overachievement of the corporate objectives and key results.

There is no set formula for determining the bonus amount under the 2026 Bonus Program. Rather, the compensation committee will exercise its discretion in determining the bonus amount actually earned by each participant. Awards under the 2026 Bonus Program are expected to occur in the first quarter of 2027. A participant must remain an employee on the payment date under the 2026 Bonus Program to be eligible to earn a bonus.

The description of the 2026 Bonus Program does not purport to be complete and is qualified in its entirety by reference to the 2026 Bonus Program, a copy of which is filed with this Annual Report on Form 10-K as Exhibit 10.23 and incorporated by reference.

We are including this disclosure in Item 9B of this Form 10-K rather than filing a Form 8-K under Item 5.02 at a later date.

Item 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth information for our directors and executive officers, and their ages as of December 31, 2025.

Name	Age	Position
<i>Executive Officers</i>		
Evan Spiegel	35	Co-Founder, Chief Executive Officer, and Director
Robert Murphy	37	Co-Founder, Chief Technology Officer, and Director
Derek Andersen	47	Chief Financial Officer
Zachary Briers	38	General Counsel
Ajit Mohan	50	Chief Business Officer
Rebecca Morrow	52	Chief Accounting Officer
<i>Non-Employee Directors</i>		
Michael Lynton ⁽¹⁾⁽²⁾⁽³⁾	66	Director and Chairperson of the Board
Kelly Coffey ⁽³⁾	60	Director
Joanna Coles ⁽²⁾	63	Director
Liz Jenkins ⁽³⁾	48	Director
Jim Lanzone ⁽²⁾	54	Director
Matthew McRae	51	Director
Scott D. Miller ⁽¹⁾⁽³⁾	73	Director
Patrick Spence ⁽¹⁾	51	Director
Poppy Thorpe ⁽¹⁾⁽³⁾	41	Director
Fidel Vargas ⁽²⁾	57	Director

- (1) Member of the compensation committee.
- (2) Member of the nominating and corporate governance committee.
- (3) Member of the audit committee.

Executive Officers

Evan Spiegel. Mr. Spiegel is our co-founder and has served as our Chief Executive Officer and a member of our board of directors since May 2012. Mr. Spiegel holds a B.S. in Engineering – Product Design from Stanford University. Mr. Spiegel has served on the board of directors of KKR & Co. Inc. since October 2021. We believe that Mr. Spiegel is qualified to serve as a member of our board of directors based on the perspective and experience he brings as our co-founder and Chief Executive Officer.

Robert Murphy. Mr. Murphy is our co-founder and has served as our Chief Technology Officer and a member of our board of directors since May 2012. Mr. Murphy holds a B.S. in Mathematical and Computational Science from Stanford University. We believe that Mr. Murphy is qualified to serve as a member of our board of directors based on the perspective and experience he brings as our co-founder and Chief Technology Officer.

Derek Andersen. Mr. Andersen has served as our Chief Financial Officer since May 2019 and previously served as our Vice President of Finance since July 2018. Mr. Andersen was previously employed at Amazon.com, Inc. from March 2011 to June 2018, serving in a variety of roles, most recently as Vice President of Finance supporting Amazon’s digital video business. Mr. Andersen also previously served in roles at Fox Interactive Media, including as Senior Vice President, Finance and Business Operations for IGN, and as Vice President, Finance. Mr. Andersen holds a B.B.A. from Acadia University, an M.B.A. from the Haas School of Business at the University of California, Berkeley, and is a CFA Charter Holder.

Zachary Briers. Mr. Briers has served as our General Counsel since November 2025. From August 2012 to October 2025, Mr. Briers was a lawyer in private practice at the law firm of Munger, Tolles & Olson LLP, where he

focused his practice on advising companies and founders on litigation and transactional matters. Mr. Briers holds a J.D. from the New York University School of Law and a B.A. from John Carroll University.

Ajit Mohan. Mr. Mohan has served as our Chief Business Officer since February 2025 and previously served as our President of APAC from January 2023 to February 2025. From 2019 to November 2022, Mr. Mohan served as Vice President and Managing Director of India for Meta, where he was responsible for strategy and operations in India, and from April 2016 to December 2018, Mr. Mohan served as CEO of 21st Century Fox's digital streaming service, Hotstar. Mr. Mohan holds a B.A. from Nanyang Technological University Singapore, an M.A. from Johns Hopkins University, and an M.B.A. from The Wharton School at the University of Pennsylvania.

Rebecca Morrow. Ms. Morrow has served as our Chief Accounting Officer since September 2019. From January 2018 to August 2019, Ms. Morrow served as Chief Accounting Officer at GoDaddy Inc., and previously served as Vice President of Finance and Head of Technical Accounting and Reporting from March 2015 to January 2018. Prior to that, Ms. Morrow served in various roles at Deloitte & Touche LLP, most recently serving as Managing Director in the Advisory Services practice from August 2013 to March 2015, and as Senior Manager in the Advisory Services practice from October 2008 to August 2013. Ms. Morrow holds a B.S. in Business and Accounting from the University of Idaho and a Masters of Accountancy degree from the David Eccles School of Business of the University of Utah.

Non-Employee Directors

Michael Lynton. Mr. Lynton has served on our board of directors since April 2013 and has been Chairperson of our board of directors since September 2016. Mr. Lynton served as Chief Executive Officer or Co-Chief Executive Officer of Sony Entertainment Inc., an international entertainment company, from April 2012 until August 2017, as Chairman and Chief Executive Officer of Sony Pictures Entertainment Inc. from January 2004 until May 2017, and as CEO of Sony Corporation of America from March 2012 to August 2017. Mr. Lynton currently serves as a member of the board of directors of Ares Management Corp., Warner Music Group Corp., and Schrodinger, Inc. Previously, Mr. Lynton served as a member of the board of directors of Pandora Media, Inc., Pearson plc, and The Boston Beer Company. Mr. Lynton holds a B.A. in History and Literature from Harvard College and an M.B.A. from Harvard Business School. We believe that Mr. Lynton is qualified to serve as a member of our board of directors and Chairperson due to his extensive leadership experience.

Kelly Coffey. Ms. Coffey has served on our board of directors since May 2020. Ms. Coffey has served as Chief Executive Officer at City National Entertainment, a unit of City National Bank, since November 2023. Ms. Coffey served as Chief Executive Officer of City National Bank, a subsidiary of the Royal Bank of Canada (RBC), from February 2019 to November 2023. Prior to joining City National Bank, Ms. Coffey served in various leadership positions with J.P. Morgan from 1989 to January 2019, most recently serving as the Chief Executive Officer of J.P. Morgan's U.S. Private Bank. Ms. Coffey holds an M.S. in Foreign Service from Georgetown University and a B.A. in International Affairs & French from Lafayette College. We believe that Ms. Coffey is qualified to serve as a member of our board of directors due to her extensive leadership experience.

Joanna Coles. Ms. Coles has served on our board of directors since December 2015. Ms. Coles has served as Creative and Content Officer at the Daily Beast since April 2024. Previously, Ms. Coles served as chairperson and Chief Executive Officer of Northern Star Acquisition Corp. from July 2020 until its merger with Bark, Inc. in June 2021, Chief Content Officer of Hearst Magazines from September 2016 to August 2018, overseeing editorial for Hearst's 300 titles globally, and as Editor-in-Chief of Cosmopolitan from September 2012 to September 2016. She edited Marie Claire magazine from April 2006 to September 2012. Ms. Coles worked for The Times of London from September 1998 to September 2001 and served as New York Bureau Chief for The Guardian from 1997 to 1998. She currently serves on the board of directors of Sonos, Inc. Previously, Ms. Coles served as a director of Bark Inc., Northern Star Investment Corp. II, Northern Star Investment Corp. III, Northern Star Investment Corp. IV, and the Fallen Journalist Memorial Fund. Ms. Coles holds a B.A. in English and American literature from the University of East Anglia. We believe that Ms. Coles is qualified to serve as a member of our board of directors due to her extensive experience working with content providers and advertisers.

Liz Jenkins. Ms. Jenkins has served on our board of directors since December 2020. Ms. Jenkins has served as Chief Business Officer at NBCUniversal Entertainment since September 2023. Ms. Jenkins served as Chief Operating Officer at Be Sunshine, LLC (Hello Sunshine) from January 2021 to September 2023, and served as Chief Financial Officer at Hello Sunshine from August 2018 to December 2020. Prior to joining Hello Sunshine, Ms. Jenkins worked at Sony Interactive Entertainment as the Head of Strategic Ventures for PlayStation from June 2017 to August 2018, the

Creative Cartel as interim Co-Chief Executive Officer from October 2015 to June 2016, and Media Rights Capital from October 2008 to May 2015, most recently serving as Senior Vice President of Corporate Development and Strategy. She currently serves as Chair of the board of GLAAD. Ms. Jenkins holds an M.B.A. from The Wharton School at the University of Pennsylvania and a B.A. in Economics from Stanford University. We believe that Ms. Jenkins is qualified to serve as a member of our board of directors and chair of our audit committee due to her experience working with digital and technology companies and her financial and accounting expertise from her prior experience as Chief Financial Officer of Hello Sunshine.

Jim Lanzone. Mr. Lanzone has served on our board of directors since September 2024. Mr. Lanzone has served as the Chief Executive Officer and member of the board of directors of Yahoo Inc. since September 2021. Prior to joining Yahoo Inc., Mr. Lanzone served as Chief Executive Officer of Tinder, a geosocial networking and online dating application, from July 2020 to September 2021, as Executive-in-Residence at venture capital firm Benchmark Capital from January 2020 to July 2020, as Chief Digital Officer of CBS Corporation from January 2016 to December 2019, and as President and Chief Executive Officer of CBS Interactive, a division of CBS Corporation, from March 2011 to December 2019. From January 2009 to March 2011, he was the founder and Chief Executive Officer of Clicker Media, Inc., an internet video search engine and navigation guide, which was acquired by CBS Corporation in 2011. Mr. Lanzone served on the board of directors of GoPro, Inc., a technology company, from 2018 to 2023, Edmunds.com Inc. from 2014 to 2020, Supernova Partners Acquisition Company, Inc. from October 2020 to September 2021, Supernova Partners Acquisition Company II, Ltd. from March 2021 to March 2022, Supernova Partners Acquisition Company III, Ltd. from March 2021 to March 2023, and Coliseum Acquisition Corp. from June 2021 to June 2023. Mr. Lanzone holds a J.D./M.B.A. from Emory University, and a B.A. from the University of California, Los Angeles. We believe that Mr. Lanzone is qualified to serve as a member of our board of directors due to his extensive leadership experience and working with digital and technology advertising companies.

Matthew McRae. Mr. McRae has served on our board of directors since December 2025. Mr. McRae has served as Chief Executive Officer and a member of the board of directors of Arlo Technologies, Inc. since August 2018. Mr. McRae previously was NETGEAR's Senior Vice President of Strategy from October 2017 to August 2018, and prior to that served as Chief Technology Officer of VIZIO, Inc. from 2010 to 2018. Mr. McRae previously served as Vice President of Marketing and Business Development of Fabrik (now part of HGST, Inc.), and before that was Senior Director, Worldwide Business Development at Cisco Systems, Inc. Mr. McRae currently serves on the board of directors for Origin Wireless, Inc., and was previously on the board of directors of Violux, Inc., Dedicated Hosting Services, Inc. and the Leatherby Center for Entrepreneurship and Business Ethics at the Business School of Chapman University. Mr. McRae holds a B.S. in Economics from The Wharton School at the University of Pennsylvania and a B.S. in Computer Engineering from the University of Pennsylvania. We believe that Mr. McRae is qualified to serve as a member of our board of directors due to his extensive leadership experience and working with technology companies.

Scott D. Miller. Mr. Miller has served on our board of directors since October 2016. Mr. Miller is a founder and Chief Executive Officer of Council Advisors (formerly known as G100 Companies), and is also a founder and chairman of G100 Network and SSA & Company. Before joining Council Advisors in March 2004, Mr. Miller was employed at Hyatt Hotels Corporation, a global hospitality company, where he served as non-executive vice chairman from August 2003 to December 2004, president from January 1999 to August 2003, and executive vice president from September 1997 to July 2003. Mr. Miller served on the boards of QTS Realty Trust, Inc. from 2013 to 2021, Affinion Group, Inc. from 2011 to 2013, AXA Equitable Life Insurance Company from 2002 to 2012, Orbitz Worldwide, Inc. from 2003 to 2004, and NAVTEQ corporation from 2002 to 2006. He also serves on several private company boards. Mr. Miller holds a B.S. in Human Biology from Stanford University and an M.B.A. from the University of Chicago. We believe that Mr. Miller is qualified to serve as a member of our board of directors due to his extensive leadership experience.

Patrick Spence. Mr. Spence has served on our board of directors since September 2023. Mr. Spence previously served as Chief Executive Officer and member of the board of directors of Sonos, Inc. from January 2017 to January 2025. Prior to joining Sonos, Mr. Spence spent 14 years at Research In Motion Limited, a consumer electronics company and the developer of the BlackBerry device, in a variety of senior roles, including most recently as the Senior Vice President and Managing Director of Global Sales and Regional Marketing. Mr. Spence holds a B.A. in business administration from the Ivey Business School at the University of Western Ontario. We believe that Mr. Spence is qualified to serve as a member of our board of directors due to his extensive leadership experience.

Poppy Thorpe. Ms. Thorpe has served on our board of directors since August 2018. Ms. Thorpe is the CEO of a marketing and strategy consultancy. Previously, Ms. Thorpe served as Chief Marketing Officer at Sesame Inc. from March 2020 to May 2021, Head of Brand Marketing at Glossier Inc., a beauty brand, from April 2018 to February 2020, Head of

Strategy at FNDR, a marketing and advertising agency, from August 2017 to April 2018, and Strategy Director at R/GA, a digital agency, from August 2014 to August 2017. Ms. Thorpe holds a B.A. in English and Film Studies from University of San Francisco. We believe that Ms. Thorpe is qualified to serve as a member of our board of directors due to her experience working with digital and technology companies and with advertisers.

Fidel Vargas. Mr. Vargas has served on our board of directors since July 2021. Mr. Vargas has served as Chief Executive Officer of HSF since January 2013. Prior to joining HSF, Mr. Vargas worked as a Partner at Centinela Capital Partners from June 2006 to December 2012, and from 1992 to 1997, Mr. Vargas served as Mayor for the City of Baldwin Park, California. Mr. Vargas has served on Presidential Commissions for Presidents Clinton, Bush, Obama, and Biden. Mr. Vargas holds an M.B.A. and an A.B. in Social Studies from Harvard University. We believe that Mr. Vargas is qualified to serve as a member of our board of directors due to his extensive leadership experience.

There are no family relationships among any of the directors or executive officers.

Independent Chairperson

Our board of directors appointed Mr. Lynton to serve as our independent Chairperson of our board of directors in September 2016. As Chairperson of our board of directors, Mr. Lynton presides over meetings of our independent directors without management present. Mr. Lynton also performs such additional duties as our board of directors may otherwise determine and delegate. Mr. Lynton is an independent director and satisfies the independence requirements under NYSE listing standards.

Composition of Our Board of Directors

Our board of directors may establish the authorized number of directors from time to time by resolution. Our board of directors currently consists of twelve members.

No stockholder has any special rights regarding the election or designation of members of our board of directors. There is no contractual arrangement by which any of our directors are appointed to our board of directors. Our current directors will continue to serve as directors until our 2026 annual meeting of stockholders and until their successor is duly elected, or if sooner, until their earlier death, resignation, or removal.

So long as any shares of our Class C common stock are outstanding, we will not have a classified board of directors, and all directors will be elected for annual terms.

Following the conversion of all of our Class C common stock to Class B common stock, and subsequent conversion of all of our Class B common stock to Class A common stock, we will have a classified board of directors consisting of three classes. Each class will be approximately equal in size, with each director serving staggered three-year terms. Directors will be assigned to a class by the then-current board of directors.

When our board of directors is classified, we expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Our board of directors held five meetings during 2025. No member of our board of directors attended fewer than 75% of the aggregate of (a) the total number of meetings of the board of directors (held during the period for which he or she was a director) and (b) the total number of meetings held by all committees of the board of directors on which such director served (held during the period that such director served). Members of our board of directors are invited and encouraged to attend our annual meeting of stockholders. In 2025, seven members of our board of directors attended our annual meeting of stockholders (at the time of the 2025 annual meeting of stockholders, our board of directors consisted of eleven members).

Executive Sessions of Independent Directors

In order to promote open discussion among non-management directors, and as required under applicable NYSE rules, our board of directors conducts executive sessions of non-management directors during each regularly scheduled board meeting and at such other times if requested by a non-management director. In 2025, the non-management directors

met in executive session at least once. The non-management directors provide feedback to executive management, as needed, promptly after the executive session. Neither Mr. Spiegel nor Mr. Murphy participates in such sessions. As Chairperson of our board of directors, Mr. Lynton presides over meetings of our independent directors without management present.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each of these committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may have or establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Our audit committee consists of Ms. Coffey, Ms. Jenkins, Mr. Lynton, Mr. Miller, and Ms. Thorpe, each of whom our board of directors has determined satisfies the independence requirements under NYSE listing standards and Rule 10A-3(b)(1) of the Exchange Act. The chair of our audit committee is Ms. Jenkins, who our board of directors has determined is an “audit committee financial expert” within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, the board of directors has examined each audit committee member’s scope of experience and the nature of their employment in the corporate finance sector. No member of the audit committee simultaneously serves on the audit committees of more than three public companies. During 2025, the audit committee met six times. Our board of directors has adopted a written charter for the audit committee, which is available on our website at www.snap.com.

The primary purpose of the audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control, and financial-statement audits, and to oversee our independent registered accounting firm.

Specific responsibilities of our audit committee include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence, and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- reviewing cybersecurity and data privacy risks;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes our internal quality control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving, or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

Compensation Committee

Our compensation committee consists of Mr. Lynton, Mr. Miller, Mr. Spence, and Ms. Thorpe, each of whom our board of directors has determined is independent under NYSE listing standards and a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act. The chair of our compensation committee is Mr. Lynton. During 2025, the compensation committee met four times. Our board of directors has adopted a written charter for the compensation committee, which is available on our website at www.snap.com.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans, and programs for directors and employees and to review and determine the compensation to be paid to our executive officers and other senior management, as appropriate.

Specific responsibilities of our compensation committee include:

- reviewing and approving the compensation of our Chief Executive Officer, other executive officers, and senior management;
- reviewing and recommending to our board of directors the compensation paid to our directors;
- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending, and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections, and any other compensatory arrangements for our executive officers and other senior management;
- reviewing, evaluating, and recommending to our board of directors succession plans for our executive officers;
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy;
- reviewing and approving policies and procedures with respect to the clawback or recoupment of compensation from officers, employees, directors, or other individuals; and
- reviewing and approving policies and procedures with respect to perquisites or other personal benefits provided to executive officers, directors, and other senior management.

See the sections titled “Item 11. Executive Compensation—Compensation Discussion and Analysis” and “—Director Compensation” for a description of our processes and procedures for the consideration and determination of executive officer and director compensation.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Ms. Coles, Mr. Lanzone, Mr. Lynton, and Mr. Vargas, each of whom our board of directors has determined is independent under the NYSE listing standards, a non-employee director, and free from any relationship that would interfere with the exercise of his or her independent judgment. The chair of our nominating and corporate governance committee is Ms. Coles. During 2025, the nominating and corporate governance committee met two times. Our board of directors has adopted a written charter for the nominating and corporate governance committee, which is available on our website at www.snap.com.

Specific responsibilities of our nominating and corporate governance committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairperson of the committees of our board of directors;
- instituting plans or programs for the continuing education of our board of directors and orientation of new directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters;
- overseeing periodic evaluations of the board of directors’ performance, including committees of the board of directors; and
- monitoring, reviewing, and making recommendations to our board of directors regarding its succession planning.

Code of Conduct

We have adopted a Code of Conduct that applies to all our employees, officers, and directors. This includes our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of our Code of Conduct is available on our website at www.snap.com. We intend to disclose on our website any future amendments of our Code of Conduct or waivers that exempt any principal executive officer,

principal financial officer, principal accounting officer or controller, persons performing similar functions, or our directors from provisions in the Code of Conduct. You can request a copy of our Code of Conduct by writing to our Secretary at Snap Inc., 3000 31st Street, Santa Monica, CA 90405.

Our board of directors believes that good corporate governance is important to ensure that the company is managed for the long-term benefit of our stockholders. The full text of our Corporate Governance Guidelines is also available on our website at www.snap.com.

Insider Trading Policy

We have adopted an Insider Trading Policy governing the purchase, sale and other disposition of our securities by directors, officers, and employees that is designed to promote compliance with insider trading laws, rules and regulations, and applicable NYSE listing standards, as well as procedures designed to further the foregoing purposes. In addition, it is our intent to comply with applicable laws and regulations relating to trading in our securities.

A copy of our Insider Trading Policy is filed with this Annual Report on Form 10-K as Exhibit 19.1.

Procedures by Which Stockholders May Nominate Directors

The nominating and corporate governance committee and our board of directors will review and evaluate candidates proposed by stockholders. The nominating and corporate governance committee and our board of directors will apply the same criteria, and follow substantially the same process in considering the candidates, as they do in considering other candidates. The factors generally considered by the nominating and corporate governance committee and our board of directors are set out in our Corporate Governance Guidelines, which are available on our website at www.snap.com. If a stockholder who is eligible to vote at the 2026 annual meeting of stockholders wishes to nominate a candidate to be considered for election as a director, it must comply with the procedures set forth in our bylaws and give timely notice of the nomination in writing to our Secretary. All stockholder proposals should be marked for the attention of our Secretary at Snap Inc., 3000 31st Street, Santa Monica, CA 90405.

Communications with the Board of Directors

Any stockholder, including a holder of Class A common stock, or any interested party may contact our board of directors regarding genuine issues or questions about us by sending a letter to the board of directors at: Snap Inc., c/o Secretary, 3000 31st Street, Santa Monica, CA 90405, Attention: Board of Directors. Each communication should specify the person sending the communication, the general topic of the communication, and the class and number of shares of our stock that are owned of record (if a record holder) or beneficially (if not a record holder). If any stockholder, including a holder of Class A common stock, wants to contact the independent members of the board of directors, the stockholder should address the communication to the attention of the Chairperson (c/o Secretary) of the board of directors at the address above. Our legal department will review communications before forwarding them to the recipient, and will not forward a communication that is unrelated to the duties and responsibilities of the board of directors, irrelevant, primarily commercial in nature, addressed already on our website or in other filings, or is unduly hostile, threatening, illegal, or similarly unsuitable. Any communication that is not forwarded will be made available to any director on request.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our executive officers and directors to file initial reports of ownership and reports of changes in ownership with the SEC and to furnish us with copies of all Section 16(a) forms they file. Because our Class A common stock is non-voting, significant holders of our common stock are exempt from the obligation to file reports under Section 16 of the Exchange Act. For more information, see “Risk Factors—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.”

To our knowledge, based solely on our review of the copies of such reports furnished to us or written representations from such persons, we believe that, with respect to the year ended December 31, 2025, such persons complied with all such filing requirements.

Item 11. Executive Compensation.

Compensation Discussion and Analysis

The compensation provided to our named executive officers is detailed in the Summary Compensation Table, other tables and the accompanying footnotes, and narrative following this section. This compensation discussion and analysis summarizes the material aspects of our compensation programs that we provide to our named executive officers. Our named executive officers for 2025 were:

- Evan Spiegel, Co-Founder and Chief Executive Officer;
- Derek Andersen, Chief Financial Officer;
- Zachary Briers, General Counsel;
- Ajit Mohan, Chief Business Officer;
- Rebecca Morrow, Chief Accounting Officer;
- Michael O’Sullivan, former General Counsel; and
- Eric Young, former Senior Vice President of Engineering.

Our board of directors has delegated to the compensation committee the authority and responsibility for reviewing, evaluating, and determining the compensation to be paid to executive officers, overseeing our compensation policies, and administering the compensation plans and programs for our company.

General Compensation Philosophy and Objectives

Philosophy

We seek kind, smart, and creative individuals to accomplish our business goals. Our compensation philosophy supports this objective by attracting the best people to join our company and incentivizing them to innovate, create, and drive long-term results.

Today, we compensate our executive officers mostly with equity that vests over multiple years. Our focus on equity compensation encourages executives to operate like owners, linking their interests with the interests of our stockholders. We evaluate our compensation philosophy and programs annually to ensure they continue to meet our objectives.

Objectives

We designed our compensation program for all employees, including our named executive officers, to support four main objectives:

- recruit and retain the most talented people in a competitive market;
- reinforce our values, which serve to motivate our employees to deliver the highest level of performance;
- reward success when both our company and the individual succeed; and
- align employee and stockholder interests to share in long-term success.

Compensation-Setting Process

Compensation Committee’s Role

The compensation committee has overall responsibility for determining the compensation of our executive officers, including our Chief Executive Officer. Members of the compensation committee are appointed by our board of directors. The compensation committee consists of four members of our board of directors: Mr. Lynton, Mr. Miller, Mr. Spence, and Ms. Thorpe. No member of the compensation committee is, or was in 2025, an executive officer of Snap Inc., and each of them qualifies as an “independent director” under the NYSE rules.

Compensation Consultant's Role

The compensation committee has the authority to engage the services of outside consultants. The compensation committee first retained Semler Brossy Consulting Group, or Semler Brossy, a national compensation consulting firm, as its independent compensation consultant in 2023. Semler Brossy reports directly to the compensation committee.

In January 2026, our compensation committee reviewed Semler Brossy's independence under applicable SEC and NYSE rules. Our compensation committee concluded that Semler Brossy is independent within the meaning of such rules and that its engagement did not present any conflict of interest.

Management's Role

Management makes recommendations to the compensation committee regarding our compensation programs and policies, and implements the programs and policies approved by the compensation committee. Our Chief Executive Officer makes recommendations to the compensation committee with respect to compensation for our executive officers, including our named executive officers, other than himself. The compensation committee considers our Chief Executive Officer's recommendations, but ultimately has final approval of all compensation for our executive officers, including the types of award and specific amounts. All such determinations by our compensation committee are discretionary. Our co-founders, who serve as Chief Executive Officer and Chief Technology Officer each have base salaries of \$1 per year and did not receive any equity awards in 2025.

No executive officer participated directly in the final deliberations or determinations regarding his or her own compensation package or was present during such determinations.

The compensation committee meets regularly in executive session. Our Chief Executive Officer is not present during compensation committee deliberations or voting on his own compensation and he recuses himself from sessions of our board of directors where they act on his own compensation.

Peer Group

We analyze market data for executive compensation periodically using the most relevant published survey sources, information available from public filings, and input from our compensation consultants. The compensation committee used the peer group listed below to determine pay levels for 2025. The peer group was based on a detailed review by Semler Brossy, the compensation committee's consultants, conducted in 2024, considering appropriateness of the then-existing peer companies and potential additions based on similarity in market capitalization, revenue, and industry. Following the review, the compensation committee approved removing Activision Blizzard from the peer group due to its acquisition by Microsoft and replacing it with Take-Two Interactive Software as it is relevant from a size and scope perspective. The peer group that the compensation committee considered to determine pay levels for 2025 consisted of the following companies:

Autodesk	Pinterest	Twilio
Block	Roblox	Uber
DocuSign	Roku	Workday
DoorDash	Shopify	Zillow Group
Etsy	Spotify	Zoom
Match Group	Take-Two Interactive Software	

Publicly available pay data from this peer group is supplemented with third party survey data to inform the compensation committee of the market for executive talent. In addition to the peer group, we also rely on the knowledge and experience of our compensation committee members and our management in determining the appropriate compensation for our executive officers.

Elements of Executive Compensation

Our current compensation program generally consists of the following components:

- base salary;

- equity-based awards;
- annual incentive compensation; and
- other benefits.

We combine these elements to formulate compensation packages that provide competitive pay, reward achievement of financial, operational, and strategic objectives, and align the interests of our executive officers with those of our stockholders. The overall use and weight of each compensation element is based on our subjective determination of the importance of each element in meeting our overall objectives, including motivating executive officers with an owner's mentality.

Base Salary

We review the base salaries of our executive officers annually and may adjust them from time to time, if needed, to reflect changes in market conditions or other factors.

Ms. Morrow is the only named executive officer that participates in the Company's annual merit program for the adjustment of base salaries. Ms. Morrow's base salary remained \$515,000 for 2025.

In February 2025, the compensation committee approved the promotion of Mr. Mohan to Chief Business Officer, a role with expanded responsibilities including growing our advertising business across all regions and leading our revenue product and business operations organizations. In connection with this promotion, the compensation committee increased Mr. Mohan's annual base salary from SGD 700,000 to SGD 1,350,000, effective February 1, 2025.

Upon Mr. Mohan's relocation to the U.S. in May 2025, the compensation committee approved a change in the currency denomination of his base salary from Singapore dollars to U.S. dollars to align his compensation with our U.S. executive pay structure. Beginning on May 9, 2025, Mr. Mohan's annual base salary was set at USD \$1,000,000.

The table below sets forth information regarding the year-end base salary amounts for 2025 for our named executive officers.

Name	2025 Base Salary
Evan Spiegel	\$ 1
Derek Andersen	1,000,000
Zachary Briers	1,000,000
Ajit Mohan	1,000,000
Rebecca Morrow	515,000
Michael O'Sullivan ⁽¹⁾	1,000,000
Eric Young ⁽²⁾	1,000,000

- (1) In September 2025, Mr. O'Sullivan notified us of his intent to leave the Company on December 31, 2025. Mr. O'Sullivan's duties and responsibilities were transitioned to Zachary Briers, our new General Counsel, by November 19, 2025.
- (2) Mr. Young served as Senior Vice President of Engineering until August 15, 2025.

Equity-based Awards

The majority of the total compensation for our executive officers, including our named executive officers, is provided through equity awards. By having a significant portion of our executive officers' total compensation payable in the form of equity awards that vest over a number of years and are thus subject to higher risk, our executive officers are motivated to align their long-term financial interests with those of our stockholders.

We generally issue two forms of equity awards:

Restricted Stock Awards. RSAs represent one share of Class A common stock for each award granted, subject to a forfeiture condition, so the value of the RSAs is tied to the performance of our Class A common stock. The forfeiture condition will typically lapse over multiple years, subject to continued service through each lapse date.

Restricted Stock Units. RSUs represent the right to receive one share of Class A common stock for each unit granted, subject to a continued service requirement, so the value of the RSUs is tied to the performance of our Class A common stock. RSUs typically vest over multiple years, subject to continued service through each vesting date.

RSAs and RSUs align the interests of our executive officers and other employees with those of our stockholders. Because RSAs and RSUs have value to the recipient even in the absence of stock price appreciation, these forms of equity awards help us retain and incentivize employees during periods of market volatility.

We generally grant larger, one-time new hire equity awards to our executive officers when they start employment with us or are promoted. These initial awards are intended to establish a meaningful equity stake and motivate long-term value creation. While these awards typically cover multiple years, we may also consider granting additional equity awards to our executive officers from time to time to maintain strong long-term incentives, support retention of key leaders, and reinforce alignment with our strategic and financial priorities. The size of these awards is not determined based on a specific formula, but rather through the exercise of judgment after considering various factors, including compensation provided to other executives with similar responsibilities in our peer group and within our company, the current unvested equity held by such executive officer, the perceived retentive value of the proposed awards, and for new-hires, amounts forfeited when joining our company. We also consider each executive officer's individual performance, including the results and contributions delivered during the year and how they align with our short-term and long-term goals, the executive's leadership of his or her team, the cash compensation received by the executive officer, and feedback received from the executive officer's peers and team.

Annual Incentive Compensation

In February 2025, our board of directors approved the 2025 Bonus Program, which provided our named executive officers, with the exception of Ms. Morrow, and other eligible employees the opportunity to earn bonuses only on the achievement of outperformance against certain company-wide objectives and key results, or Corporate OKRs, from January 1, 2025 through December 31, 2025. A participant must remain an employee through the payment date under the 2025 Bonus Program to earn a bonus.

The Corporate OKRs are recommended by the Chief Executive Officer, and reviewed and approved by the compensation committee.

Each eligible participant in the 2025 Bonus Program may receive a bonus in an amount up to 50% of such participant's annual base salary as of December 31, 2025. The compensation committee also has the right, in its sole discretion, to adjust the bonus target of any participant upward in the event of over-achievement of the Corporate OKRs.

In January 2026, the compensation committee reviewed 2025 performance against its Corporate OKRs. It was determined that the Company did not outperform against the Corporate OKRs, and no payment would be made under this program.

In 2025, Ms. Morrow was eligible to earn equity awards, in the form of RSUs, under our discretionary equity program. Under this program, equity awards are granted at the Company's discretion following a review of one's performance in a given quarter. These equity awards generally vest in equal quarterly installments within a 12-month period. In 2025, Ms. Morrow was granted equity awards with a grant date fair value of \$183,229 under this program.

Other Benefits

Like other employees, our executive officers, including our named executive officers, are able to participate in our employee benefit and welfare plans, including life and disability insurance, medical and dental care plans, and a 401(k) plan. In 2025, we matched contributions made to our 401(k) plan by our employees up to federal limits, including our named executive officers. All of the named executive officers, other than Mr. Spiegel, participated in our 401(k) plan. On occasion, we may provide new executives with sign-on compensation in the form of cash or equity as an inducement to

join Snap. In 2025, Mr. Briers received a cash sign-on bonus of \$1,000,000 paid in twelve monthly installments from December 2025. Our executive officers, including our named executive officers, also receive access to an on-call medical service paid for by us and the ability to use certain of our office spaces and other facilities for personal matters, subject to availability. Mr. O'Sullivan participated in such on-call medical services in 2025, and we paid applicable tax gross ups related to such services. In 2025, we agreed to reimburse Mr. Mohan the incremental taxes he incurred as a result of additional business travel to the United States in late 2024 and early 2025, prior to his promotion to Chief Business Officer and related to responsibilities not contemplated under his original role. We additionally provided tax gross-up payments to cover the imputed income associated with these reimbursements.

We generally do not provide our executive officers with additional retirement benefits, pensions, perquisites, or other personal benefits, except as further described herein, including in the section titled “—Summary Compensation Table.” In the future, we may provide perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual executive in the performance of his or her duties, to make our executive team more efficient and effective, and for recruitment, motivation, or retention purposes. All future practices with respect to perquisites or other personal benefits for executives will be subject to review and approval by the compensation committee.

Relocation Benefits in Connection With Promotion to Chief Business Officer

Mr. Mohan's promotion to Chief Business Officer required him to relocate from Singapore to the United States, and his relocation occurred in May 2025. To enable a timely and effective transition into this expanded leadership role, the compensation committee approved a tailored package based on the strategic importance of the role, the cross-border nature of the move, and the need to ensure continuity of leadership during a period of organizational expansion.

The relocation package provided benefits with an aggregate cap of \$300,000, before associated tax gross-up payments, available for use within 18 months of Mr. Mohan's relocation date. The program was designed to facilitate Mr. Mohan's transition to the U.S. Eligible expenses included temporary corporate housing or hotel accommodations, flights for Mr. Mohan and his spouse or family members between the U.S. and Singapore, broker fees and related costs associated with securing housing, shipment of household goods, and education consultant services.

Under the terms of the relocation arrangement, if Mr. Mohan voluntarily leaves Snap or is terminated for cause within 24 months of his relocation date, he is required to repay relocation benefits previously provided. As of December 31, 2025, Mr. Mohan utilized approximately \$219,309 of the total \$300,000 available benefit.

Equity Award Modification

In connection with Mr. Mohan's relocation from Singapore, he became subject to Singapore taxes upon his departure with respect to his unvested RSU awards, based on a deemed realization of value under Singapore tax rules. After reviewing market practice for cross-border executives and evaluating alternatives, the compensation committee approved a modification to a portion of Mr. Mohan's previously granted RSUs to accelerate vesting solely to provide liquidity to satisfy this tax obligation. Specifically, in February 2025, the compensation committee approved the accelerated vesting of 743,497 RSUs that were originally scheduled to vest in tranches between June 2025 and November 2027. No other terms of the awards were modified. The compensation committee determined that the modification was not intended as additional compensation and was necessary to facilitate Mr. Mohan's relocation and continued employment.

Executive Security Policy

Based on our overall risk assessment, including the findings of security studies, we have approved an executive security policy that currently provides security for our Chief Executive Officer and Chief Technology Officer (who is not a named executive officer). The executive security policy may apply to other executive officers as needed. We believe that the personal safety of our executive officers is crucial to our success, and based on our risk assessment, we believe that the cost of the personal security measures for executive officers is an appropriate and necessary business expense. Although we do not consider personal security measures to be a perquisite for the covered executive officer's benefit, we have included the aggregate incremental costs to us, if any, in the “All Other Compensation” column of the Summary Compensation Table, as applicable. Please see the section titled “—Summary Compensation Table” for additional detail.

Change of Control and Termination Benefits

Our named executive officers are not entitled to any change of control benefits or post-employment payments with the limited exceptions set forth below in the section titled “—Potential Payments Upon Termination, Change in Control, or Death.”

Tax and Accounting Considerations

Deductibility of Executive Compensation

Compensation paid to each of our “covered employees” under Section 162(m) of the Internal Revenue Code that exceeds \$1 million per taxable year is generally non-deductible. Although our compensation committee will continue to consider tax implications as one factor in determining executive compensation, it also considers other factors in making its decisions and retains the flexibility to provide compensation to our executive officers in a manner that can best promote our corporate objectives. Therefore, we may approve compensation that is not deductible.

No Tax Reimbursement of Parachute Payments and Deferred Compensation

We did not provide any executive officer, including any named executive officer, with a “gross-up” or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999, or 409A of the Code during 2025, and we have not agreed and are not otherwise obligated to provide any named executive officer with such a “gross-up” or other reimbursement.

Accounting Treatment

We account for stock-based compensation in accordance with the authoritative guidance set forth in Accounting Standards Codification Topic 718, or ASC Topic 718, which requires companies to measure and recognize the compensation expense for all stock-based awards made to employees and directors, including RSAs, RSUs, and stock options, over the period during which the award recipient is required to perform services in exchange for the award.

Compensation Policies and Practices as they Relate to Risk Management

Our management team and our compensation committee, with the assistance of our independent compensation consultants, each play a role in evaluating and mitigating any risk that may exist relating to our compensation plans, practices, and policies for all employees, including our named executive officers. In 2025, we reviewed our compensation plans and philosophy and concluded that our compensation programs do not create risks that are reasonably likely to have a material adverse impact on our business or our financial condition. The objective of the review was to identify any compensation plans, practices, or policies that may encourage employees to take unnecessary risks that could threaten our company. No such plans, practices, or policies were identified. The risk assessment process included, among other things, a review of our cash and equity incentive-based compensation plans to ensure that they are aligned with our company performance goals and ensure an appropriate balance between fixed and variable pay components and between short-term and long-term incentives. The base salary component of our compensation program is designed to provide income independent of our stock price performance so that employees will not focus exclusively on stock price performance to the detriment of other important business metrics. The annual bonus component is scored with discretion by the compensation committee so that short-term outcomes are not over-weighted in the final results. The equity-based component of our compensation program is primarily designed to reward employees evenly throughout their tenure, which we believe discourages employees from taking actions that focus only on specific periods. Furthermore, our executive officers typically receive a substantial portion of their equity in the form of RSAs and RSUs, which does not require our stock price to be trading at a certain price for the executive officer to realize value. Executive officer compensation is not tied to any singular performance metric. Additional controls, such as our Code of Conduct and related training, help further mitigate the risks of unethical behavior and inappropriate risk-taking. In addition, in November 2023, we adopted the Snap Inc. Incentive Compensation Recoupment Policy to comply with listing standards adopted by the NYSE that implemented the SEC rules under the Dodd-Frank Wall Street Reform and Consumer Protection Act. This clawback policy applies to incentive compensation that is received by a covered individual (including our named executive officers) on or after October 2, 2023.

Hedging and Pledging Prohibition

Our insider trading policy prohibits all employees (including our executive officers), members of our board of directors, and consultants from engaging in derivative securities transactions, including hedging, pledging company securities as collateral, holding company securities in a margin account, or other inherently speculative transactions with respect to our capital stock.

Rule 10b5-1 Sales Plans

Our executive officers and members of our board of directors may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our capital stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades under parameters established by the individual when entering into the plan, without further direction from them. Rule 10b5-1 plans may be amended or modified to change the amount, price, or timing of the purchase or sale of our common stock only when the individual does not possess material nonpublic information about us, and only during an open trading window. Rule 10b5-1 plans are subject to further rules adopted by the Securities and Exchange Commission, including the number of plans an individual may have at one time, cooling-off periods, and certain certification requirements.

Compensation Committee Report

The compensation committee has reviewed and discussed the compensation discussion and analysis included in this Annual Report on Form 10-K with management and, based on such review and discussions, the compensation committee recommended to our board of directors that the compensation discussion and analysis be included in this Annual Report on Form 10-K.

Snap Inc. compensation committee,

Michael Lynton (Chairperson)

Scott D. Miller

Patrick Spence

Poppy Thorpe

Summary Compensation Table

The following table presents all of the compensation awarded to, earned by, or paid to our named executive officers during the fiscal years ended December 31, 2025, 2024, and 2023.

Name and Principal Position	Year	Salary	Bonus	Stock Awards ⁽¹⁾	All Other Compensation	Total
Evan Spiegel	2025	\$ 1	\$ —	\$ —	\$ 4,250,449 (2)	\$ 4,250,450
Co-Founder and Chief Executive Officer	2024	1	—	—	3,298,780	3,298,781
	2023	1	—	—	3,339,730	3,339,731
Derek Andersen	2025	1,000,000	—	16,191,496	16,695 (3)	17,208,191
Chief Financial Officer	2024	1,000,000	—	6,754,873	16,540	7,771,413
	2023	855,769	—	16,532,384	15,941	17,404,094
Zachary Briers ⁽⁴⁾ General Counsel	2025	76,923	83,334 (5)	24,000,008	116 (6)	24,160,381
Ajit Mohan ⁽⁷⁾ Chief Business Officer	2025	957,121	519,836 (8)	31,316,728 (9)	867,230 (10)	33,660,915
Rebecca Morrow	2025	515,000	—	944,724	14,495 (11)	1,474,219
Chief Accounting Officer	2024	510,673	—	3,349,335	14,340	3,874,348
	2023	480,269	215,800	679,890	13,721	1,389,680
Michael O’Sullivan ⁽¹²⁾ Former General Counsel	2025	1,000,000	—	14,812,459	25,100 (13)	15,837,559
	2024	1,000,000	—	9,999,871	24,947	11,024,818
	2023	855,769	—	8,491,369	24,347	9,371,485
Eric Young ⁽¹⁴⁾ Former Senior Vice President of Engineering	2025	673,077	—	11,500,010	14,354 (15)	12,187,441
	2024	1,000,000	125,000	5,196,068	14,340	6,335,408
	2023	538,462	375,000	47,812,564	291	48,726,317

- (1) Amounts reported represent the aggregate grant date fair value of the equity awards without regard to forfeitures, calculated in accordance with ASC Topic 718. These amounts do not reflect the actual economic value realized by the named executive officers. For a discussion of the valuation of the equity awards, including the assumptions used, see Notes 1 and 4 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.
- (2) Amount reported includes (a) \$3,274,014 for security for Mr. Spiegel, (b) \$84,971 of imputed income relating to incremental costs of family or guests accompanying Mr. Spiegel on business flights that Mr. Spiegel cannot reimburse under the Federal Aviation Regulations, and (c) \$891,464 in incremental costs for personal flights not reimbursed by Mr. Spiegel.
- (3) Amount reported includes (a) \$14,000 in 401(k) plan matching contributions by us, (b) life insurance premiums paid by us on behalf of Mr. Andersen, and (c) contributions by the Company to Mr. Andersen’s health savings account. Amounts not quantified above total less than \$10,000 in aggregate.
- (4) Mr. Briers joined the company in November 2025.
- (5) Represents amounts paid as part of Mr. Briers’ sign-on bonus of \$1,000,000. The sign-on bonus is payable in twelve monthly installments starting December 2025.
- (6) Amount reported includes (a) life insurance premiums paid by us on behalf of Mr. Briers and (b) tax “gross up” payments paid to Mr. Briers to cover the imputed income associated the life insurance premiums. Amounts not quantified total less than \$10,000 in aggregate.
- (7) Mr. Mohan was not a named executive officer in fiscal years 2024 and 2023. Mr. Mohan’s salary and bonus during January 2025 through May 2025 were paid in Singapore Dollars (SGD). For purposes of reporting this compensation in the table above, amounts paid in SGD have been converted to USD using average exchange rates during this period.
- (8) Represents a one-time bonus of SGD 700,000 paid to Mr. Mohan as part of his compensation package resulting from his promotion to Chief Business Officer.
- (9) Amount reported includes \$1,192,710 of incremental fair value resulting from the modification of equity awards in February 2025. The amount reported is determined in accordance with ASC Topic 718. This amount does not reflect a new award or the actual economic value that may be realized by Mr. Mohan. For more detail, please see the section titled “Equity Award Modification” in the compensation discussion and analysis above.

- (10) Amount reported includes (a) \$14,000 in 401(k) plan matching contributions by us, (b) life insurance premiums paid by us on behalf of Mr. Mohan, (c) \$219,309 in relocation expenses incurred in connection with Mr. Mohan’s relocation benefits package described in the section entitled “—Relocation Benefits in Connection With Promotion to Chief Business Officer” in the compensation discussion and analysis above, (d) \$236,354 in tax “gross up” payments paid to Mr. Mohan to cover the imputed income associated with the relocation expenses, (e) \$149,906 in total reimbursements to be paid to Mr. Mohan to cover incremental taxes he incurred as a result of additional business travel to the United States, which consists of \$139,346 for travel in late 2024 and \$10,560 for travel in early 2025 (for more details, refer to the section entitled “—Other Benefits” in the compensation discussion and analysis above), and (f) 247,395 in total tax “gross up” payments to be paid to Mr. Mohan to cover the imputed income associated with the tax reimbursements, consisting of \$234,331 for travel in late 2024 and \$13,064 for travel in early 2025. Amounts not quantified above total less than \$10,000 in aggregate.
- (11) Amount reported includes (a) \$14,000 in 401(k) plan matching contributions by us and (b) life insurance premiums paid by us on behalf of Ms. Morrow. Amounts not quantified above total less than \$10,000 in aggregate.
- (12) In September 2025, Mr. O’Sullivan notified us of his intent to leave the Company on December 31, 2025. Mr. O’Sullivan’s duties and responsibilities were transitioned to Zachary Briers, our new General Counsel, by November 19, 2025.
- (13) Amount reported includes (a) \$14,000 in 401(k) plan matching contributions by us, (b) life insurance premiums paid by us on behalf of Mr. O’Sullivan, (c) \$5,000 in medical on-call services paid by us on behalf of Mr. O’Sullivan, and (d) \$5,605 in tax “gross up” payments paid to Mr. O’Sullivan to cover the imputed income associated with the medical on-call services. Amounts not quantified above total less than \$10,000 in aggregate.
- (14) Mr. Young served as Senior Vice President of Engineering until August 15, 2025.
- (15) Amount reported includes (a) \$14,000 in 401(k) plan matching contributions by us and (b) life insurance premiums paid by us on behalf of Mr. Young. Amounts not quantified above total less than \$10,000.

Grants of Plan-Based Awards in Fiscal 2025

The following table provides information regarding grants of incentive plan-based awards made to each of our named executive officers during 2025 under our 2017 Plan. No named executive officer was granted options in 2025.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units ⁽¹⁾	Grant Date Fair Value of Stock Awards ⁽²⁾
Evan Spiegel	—	—	\$ —
Derek Andersen	2/3/2025	1,449,552	16,191,496
Zachary Briers	11/19/2025	2,988,793	24,000,008
Ajit Mohan	7/15/2025	3,177,639	30,124,018
Rebecca Morrow	2/3/2025	8,477	94,688
	5/12/2025	30,751	283,217
	9/10/2025	45,716	322,298
	11/19/2025	30,451	244,522
Michael O’Sullivan	2/3/2025	1,326,093	14,812,459
Eric Young	2/3/2025	895,256	10,000,010
	3/8/2025	154,321	1,500,000

- (1) Except as indicated below, equity awards vest and the forfeiture condition lapses only on the satisfaction of a service-based vesting condition. If an employee dies while in service, the service-based vesting condition as to 100% of his or her shares subject to the award will be satisfied.
- (2) The dollar amounts reflect the grant date fair value of the equity awards without regard to forfeitures, calculated in accordance with ASC Topic 718. These amounts do not reflect the actual economic value realized by the named executive officers. For a discussion of the valuation of the equity awards, see Notes 1 and 4 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Outstanding Equity Awards as of December 31, 2025

The following table presents information regarding outstanding equity awards held by our named executive officers as of December 31, 2025. All awards are for Class A common stock and were granted under our 2017 Plan.

Name	Grant Date	Stock Awards	
		Number of Shares or Units of Stock That Have Not Vested (#) ⁽¹⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽²⁾
Evan Spiegel	—	—	\$ —
Derek Andersen	1/30/2023	711,495 (3)	5,741,765
	2/5/2024	403,276 (4)	3,254,437
	2/3/2025	984,782 (5)	7,947,191
Zachary Briers	11/19/2025	2,988,793 (6)	24,119,560
Ajit Mohan	3/14/2023	766,587 (7)	6,186,357
	3/11/2024	304,620 (8)	2,458,283
	7/15/2025	2,716,385 (9)	21,921,227
Rebecca Morrow	4/26/2023	22,928 (10)	185,029
	5/10/2023	4,453 (11)	35,936
	9/11/2023	23,402 (10)	188,854
	1/22/2024	27,262 (10)	220,004
	2/5/2024	15,511 (10)	125,174
	2/3/2025	2,120 (12)	17,108
	5/12/2025	25,626 (13)	206,802
	9/10/2025	39,814 (14)	321,299
	11/19/2025	30,451 (15)	245,740
Michael O'Sullivan	—	—	—
Eric Young	—	—	—

- (1) Each of our named executive officers, other than Mr. Spiegel, holds equity awards that only vest, or the forfeiture condition only lapses, on the satisfaction of a service-based condition. The service-based condition for each of our named executive officers is further described below. If an executive officer dies while in our service, the service-based condition as to 100% of his or her shares subject to the award will be satisfied.
- (2) The market value is based on the closing price of our Class A common stock on December 31, 2025, which was \$8.07.
- (3) The service-based condition for these RSUs is satisfied in equal quarterly installments during the 12-month period following December 15, 2025.
- (4) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 12-month period following November 15, 2026.
- (5) The service-based condition for these RSUs is satisfied as follows (in each case subject to continued service through each vesting date): 268,577 of these RSUs in equal quarterly installments during the 24-month period following November 15, 2025 (134,288 shares underlying the original grant on February 3, 2025 already vested as of December 31, 2025); and 716,205 of these RSUs in equal quarterly installments during the 12-month period following November 15, 2027.
- (6) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 36-month period following November 15, 2025.
- (7) The service-based condition for these RSUs is satisfied in equal monthly installments after each month of continuous service during the 14-month period following December 15, 2025 (2,802,173 shares underlying the original grant on March 14, 2023 already vested as of December 31, 2025).
- (8) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 9-month period following February 15, 2027 (108,997 shares underlying the original grant on March 11, 2024 already vested as of December 31, 2025).

- (9) The service-based condition for these RSUs is satisfied as follows (in each case subject to continued service through each vesting date): 1,845,020 of these RSUs in equal quarterly installments during the 36-month period following November 15, 2025 (461,254 shares underlying the original grant on July 15, 2025 already vested as of December 31, 2025); 123,002 of these RSUs in equal quarterly installments during the 12-month period following November 15, 2025; and 748,363 of these RSUs in equal quarterly installments during the 12-month period following November 15, 2027.
- (10) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 12-month period following November 15, 2025.
- (11) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 6-month period following November 15, 2025 (22,265 shares underlying the original grant on May 10, 2023 already vested as of December 31, 2025).
- (12) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 3-month period following November 15, 2025 (6,357 shares underlying the original grant on February 3, 2025 already vested as of December 31, 2025).
- (13) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 30-month period following November 15, 2025 (5,125 shares underlying the original grant on May 12, 2025 already vested as of December 31, 2025).
- (14) The service-based condition for these RSUs is satisfied as follows (in each case subject to continued service through each vesting date): 30,394 of these RSUs in equal quarterly installments during the 33-month period following November 15, 2025 (2,763 shares underlying the original grant on September 10, 2025 already vested as of December 31, 2025); and 9,420 of these RSUs in equal quarterly installments during the 9-month period following November 15, 2025 (3,139 shares underlying the original grant on September 10, 2025 already vested as of December 31, 2025).
- (15) The service-based condition for these RSUs is satisfied in equal quarterly installments after each quarter of continuous service during the 36-month period following November 15, 2025.

Option Exercises and Stock Vested

The following table presents information regarding the vesting or lapse of the forfeiture condition during 2025 of RSUs and RSAs previously granted to the named executive officers. No named executive officer exercised options during 2025.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Evan Spiegel	—	\$ —
Derek Andersen	725,427	6,123,806
Zachary Briers	—	—
Ajit Mohan	1,736,743	16,491,793
Rebecca Morrow	131,134	1,115,813
Michael O’Sullivan	633,862	5,464,223
Eric Young	779,191	6,826,858

- (1) The value realized is based on the closing price of our Class A common stock on the vesting date.

Pension Benefits

Other than our 401(k) plan, our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during the year ended December 31, 2025.

Non-qualified Deferred Compensation

Our named executive officers did not participate in, or earn any benefits under, a non-qualified deferred compensation plan sponsored by us during the year ended December 31, 2025.

Employment, Severance, and Change in Control Agreements

Employment Agreements and Offer Letters

We have employment agreements or offer letters with each of our executive officers. Except as otherwise described below, the employment agreements and offer letters generally provide for at-will employment and set forth the executive officer's initial base salary, eligibility for employee benefits, and confirmation of the terms of previously issued equity grants, if applicable, including in some cases severance benefits on a qualifying termination of employment. If an executive officer dies, all outstanding equity awards will be deemed to satisfy the service-based requirement. In addition, each of our named executive officers has executed our standard proprietary information and inventions agreement. The key terms of employment with our executive officers are described below.

Evan Spiegel and Robert Murphy

In July 2022, we entered into employment agreements with Evan Spiegel, our co-founder and Chief Executive Officer, and Robert Murphy, our co-founder and Chief Technology Officer, with respect to their continuing employment with us. The annual base salary for each of Messrs. Spiegel and Murphy as of December 31, 2025 was \$1. The employment agreements are each effective as of January 1, 2022, and have an initial term of five years, subject to automatic renewals for successive five year periods unless earlier terminated as provided in their respective employment agreements.

In July 2022, our board of directors determined that it was advisable and in our best interest to approve a stock split to be effected in the form of a special dividend of one share of Class A common stock on each outstanding share of our common stock at a future date (the "Future Stock Split"). In connection with this transaction, we entered into certain agreements (the "Co-Founder Agreements") with Evan Spiegel and Robert Murphy, our co-founders, and certain of their respective affiliates requiring them, among other things, to convert shares of Class B common stock and Class C common stock into Class A common stock under certain circumstances. In May 2024, the conditions for the declaration of such dividends were modified and the agreements with our co-founders were amended to reflect such modifications. As modified, the special dividend will not be declared and paid until the first business day following the date on which (i) the average of the volume weighted average price (the "VWAP") per share of Class A common stock equals or exceeds \$40 per share for 90 consecutive trading days (the "90-Day VWAP") and (ii) the ratio of the 90-Day VWAP to \$8.70 equals or exceeds the ratio of the average closing price of the S&P 500 Total Return index for the same 90 trading days for which the 90-Day VWAP was calculated to 8,862.85. If this does not occur by July 21, 2032, the Future Stock Split will not be declared and paid, and the Co-Founder Agreements will terminate.

Derek Andersen

In May 2019, we entered into an amended and restated offer letter agreement with Derek Andersen, our Chief Financial Officer, with respect to his continuing employment with us. Mr. Andersen's annual base salary as of December 31, 2025 was \$1,000,000.

Zachary Briers

In November 2025, we entered into an offer letter agreement with Zachary Briers, our General Counsel, with respect to his employment with us. Mr. Briers's annual base salary as of December 31, 2025 was \$1,000,000.

Ajit Mohan

In February 2025, Mr. Mohan was promoted to Chief Business Officer. In May 2025, we entered into an amended and restated offer letter with Mr. Mohan with respect to his continuing employment with us. Mr. Mohan's base salary as of December 31, 2025 was \$1,000,000.

Rebecca Morrow

In July 2019, we entered into an offer letter agreement with Rebecca Morrow, our Chief Accounting Officer, with respect to her employment with us. Ms. Morrow's annual base salary as of December 31, 2025 was \$515,000.

Michael O'Sullivan

In July 2017, we entered into an offer letter agreement with Michael O'Sullivan, our General Counsel, with respect to his employment with us. Mr. O'Sullivan's annual base salary under the letter agreement was \$1,000,000. In September 2025, Mr. O'Sullivan notified us of his intent to leave the Company on December 31, 2025. Mr. O'Sullivan's duties and responsibilities were transitioned to Zachary Briers, our new General Counsel, by November 19, 2025.

Eric Young

In June 2023, we entered into an offer letter agreement with Eric Young, our Senior Vice President of Engineering, with respect to his employment with us. Mr. Young's annual base salary under the letter agreement was \$1,000,000. Mr. Young's offer letter agreement included a \$500,000 sign-on bonus paid in four quarterly installments from June 2023, which has been fully paid. Mr. Young served as Senior Vice President of Engineering until August 15, 2025.

Potential Payments upon Termination, Change in Control, or Death

Currently, no named executive officer is entitled to any payments upon a termination of employment or a resignation, in each case, following a change of control of our company.

No named executive officer is also entitled to any payments following a resignation for good reason, other than Mr. Spiegel. If Mr. Spiegel resigns for good reason as an employee and member of our board of directors, then Mr. Spiegel is entitled to continue receiving his existing aircraft usage and security benefits provided by us, in each case, subject to the terms of his employment agreement entered into with us in July 2022.

The table below reflects amounts that would have been received by each named executive officer assuming that his or her employment was terminated due to his or her death on December 31, 2025.

Name	Accelerated Vesting of Stock Awards ⁽¹⁾
Evan Spiegel	\$ —
Derek Andersen	16,943,393
Zachary Briers	24,119,560
Ajit Mohan	30,565,867
Rebecca Morrow	1,545,946
Michael O'Sullivan	—
Eric Young	—

- (1) The amount reported reflects the aggregate value, based on the closing price of our Class A common stock of \$8.07 on December 31, 2025, of the unvested equity awards that would be accelerated.

Employee Benefit Plans

We believe that our ability to grant equity-based awards is a valuable and necessary compensation tool that aligns the long-term financial interests of our employees, consultants, and directors with the financial interests of our stockholders. In addition, we believe that our ability to grant equity-based awards helps us to attract, retain, and motivate employees, consultants, and directors, and encourages them to devote their best efforts to our business and financial success. The principal features of our equity incentive plans and our 401(k) plan are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans.

401(k) Plan and Similar Plans

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Code limits, which are updated annually. We have the ability to make matching and discretionary contributions to the 401(k) plan. Currently, we match 100% of each participant's contribution up to a maximum of 3% of the participant's eligible compensation paid during the period, and also match 50% of each participant's contribution between 3% and 5% of the participant's eligible compensation paid during the period. Contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Employees are immediately and fully vested in their own contributions and our contributions. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not taxable to the employees until withdrawn or distributed from the 401(k) plan.

Similar plans outside the United States, some of which are government mandated, cover employees of certain of our international subsidiaries. Several of these plans allow us to match, on a voluntary basis, a portion of the employee contributions.

2017 Equity Incentive Plan

Our board of directors adopted our 2017 Equity Incentive Plan, or our 2017 Plan, in January 2017, and our stockholders approved our 2017 Plan in February 2017. Our 2017 Plan became effective once the registration statement in connection with our initial public offering was declared effective in March 2017. Our 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, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards, and other forms of stock awards to employees, directors, and consultants, including employees and consultants of our affiliates.

Authorized Shares. The maximum number of shares of our Class A common stock available for future issuance under our 2017 Plan as of December 31, 2025 is 96,392,672. The number of shares of our Class A common stock reserved for issuance under our 2017 Plan will automatically increase on January 1st of each calendar year, starting on January 1, 2018 through January 1, 2027, in an amount equal to 5.0% of the total number of shares of our capital stock outstanding on the last day of the calendar month before the date of each automatic increase, or a lesser number of shares determined by our board of directors. The maximum number of shares of our Class A common stock that may be issued on the exercise of incentive stock options under our 2017 Plan is three times the share reserve under the 2017 Plan.

Shares subject to stock awards granted under our 2017 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2017 Plan. Additionally, shares become available for future grant under our 2017 Plan if they were issued under stock awards under our 2017 Plan and if we repurchase them or they are forfeited. This includes shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award.

Corporate Transactions. Our 2017 Plan provides that in the event of certain specified significant corporate transactions, including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding before such transaction are converted or exchanged into other property by virtue of the transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder, the administrator may take one or more of the following actions with respect to such stock awards:

- arrange for the assumption, continuation, or substitution of a stock award by a successor corporation;
- arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation;
- accelerate the vesting, in whole or in part, of the stock award and provide for its termination before the transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us;
- cancel or arrange for the cancellation of the stock award before the transaction in exchange for a cash payment, or no payment, as determined by the board of directors; or
- make a payment, in the form determined by our board of directors, equal to the excess, if any, of the value of the property the participant would have received on exercise of the awards before the transaction over any exercise price payable by the participant in connection with the exercise.

The plan administrator is not obligated to treat all stock awards or portions of stock awards, even those that are of the same type, in the same manner and is not obligated to treat all participants in the same manner.

In the event of a change in control, awards granted under the 2017 Plan will not receive automatic acceleration of vesting and exercisability, although this treatment may be provided for in an award agreement. Under the 2017 Plan, a change in control is defined to include: (1) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock, (2) a merger, consolidation, or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity), (3) a sale, lease, exclusive license, or other disposition of all or

substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders, and (4) an unapproved change in the majority of the board of directors.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend, or terminate our 2017 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No incentive stock options may be granted after the tenth anniversary of the date our board of directors adopted our 2017 Plan. No stock awards may be granted under our 2017 Plan while it is suspended or after it is terminated.

2017 Employee Stock Purchase Plan

Our board of directors adopted our 2017 Employee Stock Purchase Plan, or ESPP, in January 2017 and our stockholders approved our ESPP in February 2017. Our ESPP became effective when the registration statement in connection with our initial public offering was declared effective in March 2017. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code for U.S. employees. In addition, the ESPP authorizes grants of purchase rights that do not comply with Section 423 of the Code under a separate non-423 component. In particular, where such purchase rights are granted to employees who are foreign nationals or employed or located outside the United States, our board of directors may adopt rules that are beyond the scope of Section 423 of the Code.

Share Reserve. The ESPP authorizes the issuance of 16,484,690 shares of our Class A common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our Class A common stock reserved for issuance will automatically increase on January 1st of each calendar year, beginning on January 1, 2018 through January 1, 2027, by the lesser of (1) 1.0% of the total number of shares of our common stock outstanding on the last day of the calendar month before the date of the automatic increase, and (2) 15,000,000 shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (1) and (2). As of December 31, 2025, no shares of our Class A common stock have been purchased under the ESPP.

Corporate Transactions. In the event of certain significant corporate transactions, including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of 90% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued, or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within ten business days before such corporate transaction, and such purchase rights will terminate immediately.

ESPP Amendment or Termination. Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Limitations on Liability and Indemnification Matters

Our certificate of incorporation contains provisions that limit the liability of our current and former directors and officers for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors and officers of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's or officer's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission. In addition, Delaware courts could find certain of these limitations of liability in our certificate of incorporation to be inapplicable or unenforceable in an action.

Our certificate of incorporation authorizes us to indemnify our directors, officers, employees, and other agents to the fullest extent permitted by Delaware law. Our bylaws provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our bylaws also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered into, and expect to continue to enter into agreements to indemnify our directors, executive officers, and other employees as determined by the board of directors. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines, and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these certificate of incorporation and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws, if permitted by applicable law, may discourage stockholders from bringing a lawsuit against our directors or officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, executive officers, or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Director Compensation

Under our non-employee director compensation policy, our non-employee directors receive an annual retainer for service on our board of directors and an additional retainer is provided to individuals who serve as chair of a committee or the board of directors. We also currently reimburse our directors for their reasonable out-of-pocket expenses in connection with attending board of directors and committee meetings.

Our non-employee director compensation policy provides that each non-employee director receives the following compensation for board of directors and committee services:

- an annual retainer for board of director membership of \$75,000, paid in cash;
- an annual retainer of \$75,000 for chairing the board of directors, paid in cash;
- an annual retainer of \$25,000 for chairing the audit committee, \$20,000 for chairing the compensation committee, and \$10,000 for chairing the nominating and corporate governance committee, each paid in cash; and
- an annual grant of equity with a fair market value as of the date of grant of \$250,000, comprised of RSUs vesting after one year.

All annual cash retainers will be paid quarterly in arrears. Additionally, in the event of a change to the designated chair for a committee, the annual cash retainer for chairing such committee will be prorated based on the number of days the chair held the position.

The annual grants of equity described above are subject to pro-rata acceleration on a director's discontinued service on our board of directors and automatic full acceleration in the event of a change in control, as defined in the 2017 Plan. Non-employee directors also have the option to elect to defer the settlement of their equity awards until the termination of their service on the Board.

Non-employee directors are also encouraged to accumulate stock ownership equal in value to five times the annual retainer for board of director membership within the later of five years from the effective date of the non-employee

director compensation policy or each non-employee director's initial election to serve on the board of directors. Previously owned and vested stock and shares held in trust for the benefit of the non-employee director or his or her immediate family members are counted for purposes of determining stock ownership.

Director Compensation Table

The following table sets forth information concerning the compensation paid to our directors who are not named executive officers during the year ended December 31, 2025. The compensation received by Mr. Spiegel as an employee of our company is presented in "Executive Compensation—Summary Compensation Table."

In 2025, we paid fees and made equity awards to our non-employee directors. We granted each non-employee director serving as of August 7, 2025 RSUs for 33,157 shares of Class A common stock under our 2017 Plan, for which the service-based vesting condition will be fully satisfied on August 2, 2026. Mr. McRae, who joined the board in December 2025, was granted RSUs for 20,653 shares of Class A common stock under our 2017 Plan, for which the service-based vesting condition will be fully satisfied on August 2, 2026. If a director's service ceases before such director's applicable service-based vesting date, vesting of the RSUs will be accelerated pro rata, based on the number of months of service provided by such director. In addition, in the event of a change in control, the service-based vesting condition of the RSUs will be deemed satisfied for 100% of the RSUs that have not yet satisfied the service-based vesting condition, immediately before the closing of such change in control.

Mr. Murphy did not receive compensation for his service as a director.

Name	Fees Earned or Paid in Cash	Stock Awards ⁽¹⁾	Total
Robert Murphy ⁽²⁾	\$ 1,065,214	\$ —	\$ 1,065,214
Michael Lynton	170,000	250,004	420,004
Kelly Coffey	75,000	250,004	325,004
Joanna Coles	85,000	250,004	335,004
Liz Jenkins	100,000	250,004	350,004
Jim Lanzone	75,000	250,004	325,004
Matthew McRae ⁽³⁾	5,707	166,670	172,377
Scott D. Miller	75,000	250,004	325,004
Patrick Spence	75,000	250,004	325,004
Poppy Thorpe ⁽⁴⁾	135,000	250,004	385,004
Fidel Vargas ⁽⁴⁾	135,000	250,004	385,004

- (1) Amounts reported represent the aggregate grant date fair value of RSUs granted during 2025 under our 2017 Plan without regard to forfeitures, calculated in accordance with ASC Topic 718. These amounts do not reflect the actual economic value realized by the directors. For a discussion of the valuation of the equity awards, including the assumptions used, see Notes 1 and 4 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.
- (2) Mr. Murphy does not receive any compensation for service as a director. Amounts reported represents (a) \$1 for his annual base salary as an employee, (b) \$881,427 for security for Mr. Murphy, (c) \$2,200 in contributions by the Company to Mr. Murphy's health savings account, (d) \$2,407 of imputed income relating to incremental costs of family or guests accompanying Mr. Murphy on business flights that Mr. Murphy cannot reimburse under the Federal Aviation Regulations, and (e) \$179,179 in incremental costs for personal flights not reimbursed by Mr. Murphy.
- (3) Mr. McRae joined the board of directors on December 4, 2025.
- (4) Amount reported includes a \$5,000 per month retainer for services on a special committee.

As of December 31, 2025, the aggregate number of shares underlying stock awards and option awards for each of our non-employee directors was:

Name	Unvested Stock Awards	Outstanding Stock Awards ⁽¹⁾	Outstanding Option Awards ⁽²⁾
Michael Lynton	33,157	33,157	65,553
Kelly Coffey	33,157	33,157	31,896
Joanna Coles	33,157	72,449	65,553
Liz Jenkins	33,157	33,157	21,896
Jim Lanzone	33,157	55,472	—
Matthew McRae	20,653	20,653	—
Scott D. Miller	33,157	56,558	65,553
Patrick Spence	33,157	71,766	—
Poppy Thorpe	33,157	56,558	63,553
Fidel Vargas	33,157	56,558	18,908

(1) Certain directors have elected to defer settlement of vested RSUs.

(2) Outstanding option awards are fully vested.

In 2025, we also provided Mr. Lynton with an executive administrative assistant for his duties as Chairperson. The executive administrative assistant would occasionally assist Mr. Lynton with incidental personal matters, the cost of which to us is financially immaterial.

Compensation Committee Interlocks and Insider Participation

In 2025, the compensation committee consisted of Mr. Lynton, Mr. Miller, Mr. Spence, and Ms. Thorpe. None of the members of the compensation committee is currently, or has been at any time, one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Policies and Practices Related to the Grant of Certain Equity Awards

In 2025, we did not grant stock options, stock appreciation rights, or similar instruments with option-like features and have no policies or practices to disclose pursuant to Item 402(x)(1) of Regulation S-K.

Pay Ratio Disclosure

As disclosed in the Summary Compensation Table, for the year ended December 31, 2025, the annual total compensation of our Chief Executive Officer was \$4,250,450. The annual total compensation of our median employee, excluding our Chief Executive Officer, for the same period, using the same methodology used to calculate our Chief Executive Officer's annual total compensation, was \$369,894. The ratio of these amounts is approximately 11.5 to 1. We believe such ratio is a reasonable estimate calculated in a manner consistent with Item 402 of Regulation S-K under the Exchange Act.

To determine our median employee, we used the total compensation of our employees from our company records, including salary and wages, bonuses, commissions, allowances, and grant date fair value of equity awards. We applied this measure to our global employee population as of October 1, 2025 and calculated total compensation for the 12 months prior to such date, annualizing all compensation other than equity awards for employees who did not work the full 12 months. We selected the individual who represented our median employee based on this information. For employees who were not paid in U.S. dollars, we converted their compensation to U.S. dollars using the exchange rate as of October 1, 2025.

The pay ratio above represents our reasonable estimate calculated in a manner consistent with the SEC rules, which allow for significant flexibility in how companies identify the median employee, and each company may use a

different methodology and make different assumptions particular to that company. As a result, and as explained by the SEC when it adopted the pay ratio rules, the ratio was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow stockholders to better understand our compensation practices and pay ratio disclosures.

Additional Disclosure Considerations

We are not subject to the “say-on-pay” and “say-on-frequency” provisions of the Dodd–Frank Wall Street Reform Act, and such sections are not included in this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The table below sets forth information, as of December 31, 2025, with respect to the beneficial ownership of: (a) our Class A common stock, Class B common stock, and Class C common stock by each named executive officer, each of our directors, and our directors and executive officers as a group; and (b) our Class B and Class C common stock by each person or entity known by us to own beneficially more than 5% of our Class B common stock or Class C common stock (by number or by voting power).

Because our Class A common stock is non-voting, significant holders of our Class A 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 significant stockholders to publicly report their ownership, including changes in that ownership. As a result, those stockholders and we are not obligated to disclose ownership of our Class A common stock, so there can be no assurance that you, or we, will be notified of such ownership or changes in such ownership. Furthermore, significant holders of our Class A common stock may hold our stock in nominee or “street name” with various brokers, such that we will not be able to identify their ownership.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 1,457,403,389 shares of Class A common stock, 22,523,290 shares of Class B common stock, and 231,626,943 shares of Class C common stock outstanding as of December 31, 2025. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options and RSUs held by the person that are currently exercisable, or would become exercisable or would vest based on service-based vesting conditions within 60 days of December 31, 2025. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o Snap Inc., 3000 31st Street, Santa Monica, CA 90405.

Name of Beneficial Owner	Class A Common Stock		Class B Common Stock		Class C Common Stock		% of Total Voting Power
	Shares	%	Shares	%	Shares	%	
Directors and Named Executive Officers:							
Evan Spiegel ⁽¹⁾	30,099,361	2.1 %	5,862,410	26.0 %	123,683,019	53.4 %	53.1 %
Robert Murphy ⁽²⁾	61,921,303	4.2	5,862,410	26.0	107,943,924	46.6	46.4
Derek Andersen ⁽³⁾	929,785	*	—	*	—	*	*
Rebecca Morrow ⁽⁴⁾	329,236	*	—	*	—	*	*
Ajit Mohan ⁽⁵⁾	1,805,087	*	—	*	—	*	*
Zachary Briers ⁽⁶⁾	249,066	*	—	*	—	*	*
Michael O’Sullivan ⁽⁷⁾	515,467	*	—	*	—	*	*
Eric Young ⁽⁸⁾	—	*	—	*	—	*	*
Michael Lynton ⁽⁹⁾	603,347	*	—	*	—	*	*
Kelly Coffey ⁽¹⁰⁾	89,552	*	—	*	—	*	*
Joanna Coles ⁽¹¹⁾	118,345	*	—	*	—	*	*
Liz Jenkins ⁽¹²⁾	54,402	*	—	*	—	*	*
Jim Lanzone ⁽¹³⁾	22,315	*	—	*	—	*	*
Matthew McRae ⁽¹⁴⁾	—	*	—	*	—	*	*
Scott D. Miller ⁽¹⁵⁾	205,248	*	—	*	—	*	*
Patrick Spence ⁽¹⁶⁾	38,609	*	—	*	—	*	*
Poppy Thorpe ⁽¹⁷⁾	125,708	*	—	*	—	*	*
Fidel Vargas ⁽¹⁸⁾	69,459	*	—	*	—	*	*
All directors and executive officers as a group (18 persons) ⁽¹⁹⁾	97,176,290	6.7	11,724,820	52.1	231,626,943	100.0	99.5
5% Stockholders:							
FMR LLC ⁽²⁰⁾	96,806,403	6.6	—	*	—	*	*
Entities affiliated with Tencent Holdings Limited ⁽²¹⁾	232,655,030	16.0	10,344,970	45.9	—	*	*
The Vanguard Group ⁽²²⁾	95,317,701	6.5	—	*	—	*	*

* Represents beneficial ownership of less than 1%.

- (1) Includes 3,027,844 shares of Class A common stock and 5,862,410 shares of Class B common stock held in trust for which Mr. Spiegel is trustee and holds voting power.
- (2) Includes 10,307,526 shares of Class A common stock and 5,862,410 shares of Class B common stock held in trust for which Mr. Murphy is trustee and holds voting power.
- (3) Includes 33,572 shares of Class A common stock for which the service-based vesting condition would be satisfied within 60 days of December 31, 2025.
- (4) Includes 37,622 shares of Class A common stock for which the service-based vesting condition would be satisfied within 60 days of December 31, 2025.
- (5) Includes 294,015 shares of Class A common stock for which the service-based vesting condition would be satisfied within 60 days of December 31, 2025.
- (6) Includes 249,066 shares of Class A common stock for which the service-based vesting condition would be satisfied within 60 days of December 31, 2025.
- (7) Includes (a) 515,307 shares of Class A common stock held in trust for which Mr. O'Sullivan retains investment power, and (b) 160 shares of Class A common stock held by members of Mr. O'Sullivan's immediate family for which Mr. O'Sullivan disclaims beneficial ownership except as to indirect pecuniary interest, if any.
- (8) Mr. Young served as Senior Vice President of Engineering until August 15, 2025.
- (9) Includes (a) 65,553 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025, (b) 120,661 shares of Class A common stock held in trust for which Mr. Lynton is

- trustee, and (c) 300,133 shares held by members of Mr. Lynton’s immediate family for which Mr. Lynton disclaims beneficial ownership except as to indirect pecuniary interest, if any.
- (10) Includes 31,896 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025.
- (11) Includes (a) 65,553 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025, and (b) 39,292 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (12) Includes 21,896 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025.
- (13) Includes 22,315 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (14) Mr. McRae joined the board of directors on December 4, 2025.
- (15) Includes (a) 65,553 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025, and (b) 23,401 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (16) Includes 38,609 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (17) Includes (a) 63,553 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025, and (b) 23,401 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (18) Includes (a) 18,908 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025, and (b) 23,401 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (19) Consists of (a) 96,058,684 shares of Class A common stock, 11,724,820 shares of Class B common stock, and 231,626,943 shares of Class C common stock held by our directors and named executive officers or for which they serve as trustees, (b) RSUs for 614,275 shares of Class A common stock for which the service-based vesting condition would be satisfied within 60 days of December 31, 2025, (c) 332,912 shares of Class A common stock issuable upon exercise of stock options exercisable within 60 days of December 31, 2025, and (d) 170,419 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (20) Based on information reported by FMR LLC on Schedule 13G/A filed with the SEC on September 8, 2025. FMR LLC reported that it has sole dispositive power with respect to 96,806,403 shares of Class A common stock and sole voting power with respect to 83,045,613 shares of Class A common stock. FMR LLC reported that Abigail P. Johnson, Director, the Chairman and the Chief Executive Officer of FMR LLC, beneficially owns 96,806,403 shares of Class A common stock, has sole voting power with respect to 0 shares of Class A common stock, shared voting power with respect to 0 shares of Class A common stock, sole dispositive power with respect to 96,806,403 shares, and shared dispositive power with respect to 0 shares of Class A common stock. The address of such stockholders is 245 Summer Street, Boston, Massachusetts 02210.
- (21) Tencent Holdings Limited reported in its 2021 Interim Report that, as of June 30, 2021, it was interested in approximately 243 million shares of Snap Inc., and has not provided any update in subsequent reports. We believe, based on such reporting and our corporate and transfer agent records, that Tencent Holdings Limited and its affiliates beneficially own 10,344,970 shares of Class B Common Stock, and the balance of any remaining shares they hold are Class A Common Stock. As noted above, holders of our Class A common stock, other than our directors or officers, are exempt from the obligation to file reports under Sections 13(d), 13(g), and 16 of the Exchange Act and may hold the stock in nominee or “street name” such that we are not able to identify or confirm their ownership. Tencent Holdings Limited listed its registered address as Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands.
- (22) Based on information reported by The Vanguard Group on Schedule 13G/A filed with the SEC on February 13, 2024. The Vanguard Group reported that it has sole voting power with respect to 0 shares of Class A common stock, shared voting power with respect to 402,185 shares of Class A common stock, sole dispositive power with respect to 94,246,527 shares of Class A common stock, and shared dispositive power with respect to 1,071,174 shares of Class A common stock. The Vanguard Group listed its address as 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

Securities Authorized for Issuance under Equity Incentive Plans

The table set forth below provides information concerning the awards that may be issued under our 2017 Plan as of December 31, 2025:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾⁽²⁾ (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ⁽³⁾ (b)	Number of Securities Remaining Available for Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	168,060,823	\$ 17.77	96,392,672
Equity compensation plans not approved by security holders	—	—	—
Total	168,060,823	\$ 17.77	96,392,672

- (1) Excludes RSAs subject to forfeiture that are already included within issued and outstanding Class A common stock as of December 31, 2025.
- (2) Includes 170,419 shares of Class A common stock issuable upon settlement of vested deferred RSUs.
- (3) The weighted-average exercise price does not reflect shares that will be issued in connection with the settlement of RSUs, since RSUs have no exercise price.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this Annual Report on Form 10-K, below we describe transactions since January 1, 2025 to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

Co-Founder Agreements and Related Agreements

We are party to a series of agreements with Mr. Spiegel and Mr. Murphy, and certain of their respective affiliates, as applicable, which include: (i) employment agreements pursuant to which each individual will continue to serve in their respective roles at Snap for an initial five-year term ending on January 1, 2027, subject to automatic renewals for successive five year periods unless earlier terminated as provided in their respective employment agreements, (ii) the Future Stock Split, as described above in “Employment, Severance, and Change in Control Agreements,” and (iii) the Co-Founder Agreements, which include (a) the requirement under certain circumstances to convert an equal number of shares of Class B common stock or Class C common stock into Class A common stock in connection with sales by such individual of shares of Class A common stock received in the special dividend under the Future Stock Split, (b) conversion of such individual’s remaining shares of Class C common stock into Class B common stock at such time as such Class C common stock represents in the aggregate less than 60% of such individual’s Base Class C Common Stock (as such term is defined in our certification of incorporation), and (c) in the event of any sale or liquidation of Snap Inc. following the special dividend, shares of Class A common stock, Class B common stock, and Class C common stock are to be treated identically, equally, and ratably, on a per share basis, with respect to any consideration received.

Munger, Tolles & Olson LLP

We have in the past engaged the law firm Munger, Tolles & Olson LLP, or Munger, to provide certain legal services to us, and may do so in the future. Mr. Spiegel's father, John Spiegel, is a partner at Munger and has provided legal services to us. Our general counsel, Zachary Briers, is a former attorney at Munger. Our former general counsel, Michael O'Sullivan, is also a former attorney at Munger. For the year ended December 31, 2025, total services provided by Munger were approximately \$52.3 million.

Gibson, Dunn & Crutcher LLP

We have in the past engaged the law firm Gibson, Dunn & Crutcher LLP, or Gibson, to provide certain legal services to us, and may do so in the future. Mr. Spiegel's stepmother, Debra Wong Yang, is a partner at Gibson and has provided legal services to us. For the year ended December 31, 2025, total services provided by Gibson were approximately \$5.5 million.

Entities Affiliated with FMR LLC

In the ordinary course of business, we obtained services from affiliates of FMR LLC related to our 401(k) plan. FMR LLC and its affiliates held 5% or more of our Class A common stock as of December 31, 2025. For the year ended December 31, 2025, total services provided by affiliates of FMR LLC were approximately \$0.4 million.

Entities Affiliated with Tencent

In the ordinary course of business, Tencent Holdings Limited and its affiliates (other than affiliates in which we do not believe Tencent Holdings Limited holds or held a material interest), who hold 5% or more of our Class B common stock as of December 31, 2025, purchased approximately \$16.9 million of our advertising products for the year ended December 31, 2025.

Aviation Matters

Airplane Leases

In June 2018, we entered into a lease of an aircraft from an entity controlled by Mr. Spiegel on terms that are advantageous to us, which was amended in December 2024. Under the terms of this amended lease, Mr. Spiegel's entity leases an aircraft to us for \$0. We cover all the operating, maintenance, and insurance costs, and property taxes associated with the aircraft. The lease has a one-year term, which is automatically extended for successive one-year periods unless terminated by either party. We or Mr. Spiegel's entity may terminate the lease at any time on one year's prior written notice. The audit and compensation committees of our board of directors approved this amended lease based on our overall security program for Mr. Spiegel and their assessment that such an arrangement is more efficient and flexible, and better ensures confidentiality, privacy, and safety.

Mr. Spiegel may use aircraft leased by us for personal use pursuant to a time sharing agreement between us and Mr. Spiegel in accordance with the provisions of Federal Aviation Regulations 91.501(c). On these flights, Mr. Spiegel and guests are flown by our pilots and crew members. Mr. Spiegel reimburses us for certain costs incurred by us in connection with these flights, up to the maximum permitted under the Federal Aviation Regulations 91.501(d). When Mr. Spiegel has family or guests accompanying him on business flights, Mr. Spiegel cannot reimburse the incremental cost to us for such family or guests under the Federal Aviation Regulations. In 2025, the amount that Mr. Spiegel could not reimburse was \$84,971.

In January 2024, we entered into an agreement with Mr. Spiegel to provide flight crew, maintenance personnel, and limited administrative support for flights using Mr. Spiegel's aircraft pursuant to an overall security program. Mr. Spiegel pays the additional operating costs for his aircraft and its flights. The agreement has a one-year term, which is automatically extended for successive one-year periods unless terminated by either party. The audit and compensation committees of our board of directors approved this arrangement as part of an overall security program because it provides confidentiality, privacy, and safety, in addition to reducing our aviation operating costs.

In September 2022, we entered into a lease of an aircraft from an entity controlled by Mr. Murphy on terms that are advantageous to us. Under the terms of this lease, Mr. Murphy's entity leases the aircraft to us for \$0. We cover all the operating, maintenance, and insurance costs, and property taxes associated with the aircraft. The lease has a one-year term,

which is automatically extended for successive one-year periods unless terminated by either party. We or Mr. Murphy's entity may terminate the lease at any time on one year's prior written notice. The audit and compensation committees of our board of directors approved this lease based on our overall security program for Mr. Murphy and their assessment that such an arrangement is more efficient and flexible, and better ensures confidentiality, privacy, and safety.

Mr. Murphy may use aircraft leased by us for personal use pursuant to a time sharing agreement between us and Mr. Murphy in accordance with the provisions of Federal Aviation Regulations 91.501(c). On these flights, Mr. Murphy and guests are flown by our pilots and crew members. Mr. Murphy reimburses us for certain costs incurred by us in connection with these flights, up to the maximum permitted under the Federal Aviation Regulations 91.501(d). When Mr. Murphy has family or guests accompanying him on business flights, Mr. Murphy cannot reimburse the incremental cost to us for such family or guests under the Federal Aviation Regulations. In 2025, the amount that Mr. Murphy could not reimburse was \$2,407.

Hangar Leases

In November 2020, we and Mr. Spiegel's entity entered into a twelve-year sublease for \$0 allowing us to build and operate a new hangar on that site to support our aviation program, including the storage and operation of the aircraft that we lease from Mr. Spiegel and Mr. Murphy. Construction of this hangar was completed in 2022. Mr. Spiegel's entity is solely responsible for the ground lease rental payments, certain airport fees, and taxes. In exchange for certain construction-related costs and ground lease payments that Mr. Spiegel's entity has incurred and will continue to incur, Mr. Spiegel's entity has the right to occupy space at the hangar that Snap does not require for its aviation program at a market rate determined at the time this arrangement was entered into. As of December 31, 2025, Mr. Spiegel's entity had a credit balance of approximately \$2.4 million that can be used for future rent or, to the extent not utilized by the end of the term, to purchase the hangar from Snap under the terms of the sublease. No credit balance will be paid to Mr. Spiegel in cash.

Subject to certain limited exceptions, neither party may terminate this sublease for a minimum of six years. After this period, either party may terminate the sublease on 24 months' notice to the other party. Upon termination of the sublease, Mr. Spiegel's entity will purchase the hangar from Snap at its fair market value on the termination date. The audit and compensation committees of our board of directors approved this arrangement based on their assessment that it is fair and reasonable to us.

Department of Angels Foundation

In February 2025, Mr. Spiegel and Mr. Murphy established the Department of Angels Foundation, which is not one of our consolidated entities, to support the Los Angeles community impacted by the 2025 fires. In 2025, certain of our employees assisted the Department of Angels Foundation with formation matters, and we pledged \$3.0 million, of which \$2.0 million was contributed in 2025.

Indemnification Agreements

Our certificate of incorporation contains provisions limiting the liability of directors, and our bylaws provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our certificate of incorporation and bylaws also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them.

Policies and Procedures for Transactions with Related Persons

Our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our voting common stock, and any members of the immediate family of any of the foregoing persons, are subject to our related person transaction policy. Under the policy such persons are not permitted to enter into a transaction with us in which the amount involved exceeds \$120,000 and where such person would have a direct or indirect interest, subject to certain exceptions, without the approval or ratification of our board of directors, our audit committee, or any other independent board committee, as appropriate. Any request for us to enter into a related party transaction must be presented for review, consideration, and approval by our board of directors or the appropriate committee. In approving or rejecting any such proposal, the relevant approver is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. Finally, as part of the policy the

board reviewed and pre-approved certain categories of related party transactions. There were no 2025 transactions where the applicable policy was not followed.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our board of directors has determined that Ms. Coffey, Ms. Coles, Ms. Jenkins, Mr. Lanzone, Mr. Lynton, Mr. McRae, Mr. Miller, Mr. Spence, Ms. Thorpe, and Mr. Vargas do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the listing standards. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by each non-employee director and the transactions described above.

Item 14. Principal Accountant Fees and Services.

The following table sets forth the aggregate fees for professional service provided by our independent registered public accounting firm, Ernst & Young LLP, for the years ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Audit Fees ⁽¹⁾	\$ 8,832	\$ 8,764
Audit-Related Fees	—	—
Tax Fees ⁽²⁾	928	1,746
All Other Fees ⁽³⁾	1,740	1,797
Total	\$ 11,500	\$ 12,307

- (1) Audit fees consist of the fees for professional services rendered for the audit of our financial statements, audit of our internal control over financial reporting, review of our quarterly financial statements, filing of our registration statements, accounting consultations, and audits provided in connection with statutory filings.
- (2) Tax fees consist of the fees for professional services rendered in connection with tax compliance, tax advisory, and tax planning.
- (3) All other fees consist of fees for professional services other than the services reported in audit fees, audit-related fees, and tax fees.

The audit committee has adopted a pre-approval policy under which the audit committee approves in advance all audit and permissible non-audit services to be performed by the independent accountants (subject to a *de minimis* exception). These services may include audit services, audit-related services, tax services, and other non-audit services. As part of its pre-approval policy, the audit committee considers whether the provision of any proposed non-audit services is consistent with the SEC’s rules on auditor independence. In accordance with its pre-approval policy, the audit committee has pre-approved certain specified audit and non-audit services to be provided by our independent auditor. If there are any additional services to be provided, a request for pre-approval must be submitted to the audit committee for its consideration under the policy. The audit committee generally pre-approves particular services or categories of services on a case-by-case basis. Finally, in accordance with the pre-approval policy, the audit committee has delegated pre-approval authority to the chair of the audit committee. The chair must report any pre-approval decisions to the audit committee at its next meeting.

All of the services of Ernst & Young LLP for 2025 and 2024 described above were in accordance with the audit committee pre-approval policy.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

We have filed the following documents as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements

See Index to Financial Statements and Supplementary Data on page 80.

2. Financial Statement Schedules

All schedules have been omitted because they are not required, not applicable, not present in amounts sufficient to require submission of the schedule, or the required information is otherwise included.

3. Exhibits

The documents set forth below are filed herewith or incorporated herein by reference to the location indicated.

Exhibit Number	Description	Incorporated by Reference			
		Schedule Form	File Number	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of Snap Inc.	S-1	333-215866	3.2	February 2, 2017
3.2	Amendment No. 1 to the Amended and Restated Certificate of Incorporation of Snap Inc.	8-K	001-38017	3.1	July 21, 2022
3.3	Certificate of Correction to Amendment No. 1 to the Amended and Restated Certificate of Incorporation of Snap Inc.	8-K/A	001-38017	3.1	August 8, 2022
3.4	Amendment No. 2 to the Amended and Restated Certificate of Incorporation of Snap Inc.	8-K	001-38017	3.1	August 26, 2022
3.5	Amendment No. 3 to the Amended and Restated Certificate of Incorporation of Snap Inc.	8-K	001-38017	3.1	May 17, 2024
3.6	Amended and Restated Bylaws of Snap Inc.	10-K	001-38017	3.2	February 5, 2021
4.1	Form of Class A Common Stock Certificate	S-1	333-215866	4.1	February 2, 2017
4.2	Form of Class B Common Stock Certificate	S-8	333-216495	4.6	March 7, 2017
4.3	Form of Class C Common Stock Certificate	S-8	333-216495	4.7	March 7, 2017
4.4	Description of Securities				
4.5	Indenture, dated August 9, 2019, by and between Snap Inc. and U.S. Bank National Association, as Trustee	8-K	001-38017	4.1	August 9, 2019
4.6	Form of Global Note, representing Snap Inc.'s 0.75% Convertible Senior Notes due 2026 (included as Exhibit A to the Indenture filed as Exhibit 4.5 to this Form 10-K).	8-K	001-38017	4.2	August 9, 2019
4.7	Indenture, dated April 28, 2020, by and between Snap Inc. and U.S. Bank National Association, as Trustee	8-K	001-38017	4.1	April 28, 2020
4.8	Form of Global Note, representing Snap Inc.'s 0.25% Convertible Senior Notes due 2025 (included as Exhibit A to the Indenture filed as Exhibit 4.7 to this Form 10-K).	8-K	001-38017	4.2	April 28, 2020

Exhibit Number	Description	Incorporated by Reference			
		Schedule Form	File Number	Exhibit	Filing Date
4.9	Indenture, dated April 30, 2021, by and between Snap Inc. and U.S. Bank National Association, as Trustee	8-K	001-38017	4.1	April 30, 2021
4.10	Form of Global Note, representing Snap Inc.'s 0% Convertible Senior Notes due 2027 (included as Exhibit A to the Indenture filed as Exhibit 4.9 to this Form 10-K)	8-K	001-38017	4.2	April 30, 2021
4.11	Indenture, dated February 11, 2022, by and between Snap Inc. and U.S. Bank Trust Company, National Association, as Trustee	8-K	001-38017	4.1	February 11, 2022
4.12	Form of Global Note, representing Snap Inc.'s 0.125% Convertible Senior Notes due 2028 (included as Exhibit A to the Indenture filed as Exhibit 4.11 to this Form 10-K)	8-K	001-38017	4.2	February 11, 2022
4.13	Indenture, dated May 13, 2024, by and between Snap Inc. and U.S. Bank Trust Company, National Association, as Trustee	8-K	001-38017	4.1	May 13, 2024
4.14	Form of Global Note, representing Snap Inc.'s 0.50% Convertible Senior Notes due 2030 (included as Exhibit A to the Indenture filed as Exhibit 4.13 to this Form 10-K)	8-K	001-38017	4.1	May 13, 2024
4.15	Indenture, dated February 14, 2025, by and between Snap Inc. and U.S. Bank Trust Company, National Association, as Trustee	8-K	001-38017	4.1	February 18, 2025
4.16	Form of Global Note, representing Snap Inc.'s 6.875% Senior Notes due 2033 (included as Exhibit A to the Indenture filed as Exhibit 4.15 to this Form 10-K)	8-K	001-38017	4.2	February 18, 2025
4.17	Indenture, dated August 12, 2025, by and between Snap Inc. and U.S. Bank Trust Company, National Association, As Trustee	8-K	001-38017	4.1	August 12, 2025
4.18	Form of Global Note, representing Snap Inc.'s 6.875% Senior Notes due 2034 (included as Exhibit A to the Indenture filed as Exhibit 4.17 to this Form 10-K)	8-K	001-38017	4.1	August 12, 2025
10.1+	Snap Inc. 2017 Equity Incentive Plan	S-8	333-216495	99.7	March 7, 2017
10.2+	Forms of global grant notice, stock option agreement and notice of exercise under the Snap Inc. 2017 Equity Incentive Plan	10-K	001-38017	10.8	February 4, 2022
10.3+	Forms of restricted stock unit grant notice and award agreement under the Snap Inc. 2017 Equity Incentive Plan	10-Q	001-38017	10.1	April 26, 2024
10.4+	Forms of restricted stock award grant notice and award agreement under the Snap Inc. 2017 Equity Incentive Plan	10-Q	001-38017	10.4	October 26, 2018
10.5+	Snap Inc. 2017 Employee Stock Purchase Plan	S-1	333-215866	10.11	February 2, 2017
10.6+	Form of indemnification agreement	S-1	333-215866	10.12	February 2, 2017

Exhibit Number	Description	Incorporated by Reference			
		Schedule Form	File Number	Exhibit	Filing Date
10.7	Co-Founder's Agreement among Snap Inc., Evan Spiegel, and other Holders signatory thereto, made as of July 21, 2022	8-K	001-38017	10.1	July 21, 2022
10.8	Amendment to Co-Founder Agreement among Snap Inc., Evan Spiegel, and the other Holders signatory thereto, made as of May 16, 2024	8-K	001-38017	10.1	May 17, 2024
10.9	Co-Founder's Agreement among Snap Inc., Robert Murphy, and other Holders signatory thereto, made as of July 21, 2022	8-K	001-38017	10.2	July 21, 2022
10.10	Amendment to Co-Founder Agreement among Snap Inc., Robert Murphy, and the other Holders signatory thereto, made as of May 16, 2024	8-K	001-38017	10.2	May 17, 2024
10.11+	Employment Agreement by and between Snap Inc. and Evan Spiegel, dated July 21, 2022	8-K	001-38017	10.3	July 21, 2022
10.12+	Employment Agreement by and between Snap Inc. and Robert Murphy, dated July 21, 2022	8-K	001-38017	10.4	July 21, 2022
10.13+	Offer Letter, by and between Snap Inc. and Michael O'Sullivan, dated July 24, 2017	10-Q	001-38017	10.1	November 8, 2017
10.14+	Offer Letter, by and between Snap Inc. and Derek Andersen, dated May 16, 2019	8-K	001-38017	10.1	May 20, 2019
10.15+	Offer Letter, by and between Snap Inc. and Rebecca Morrow, dated July 12, 2019	10-Q	001-38017	10.1	October 23, 2019
10.16+	Offer Letter, by and between Snap Inc. and Ajit Mohan, dated May 8, 2025	10-Q	001-38017	10.1	August 5, 2025
10.17+	Offer Letter, by and between Snap Inc. and Zachary Briers dated October 24, 2025				
10.18+	Snap Inc. 2025 Bonus Program	10-K	001-38017	10.21	February 4, 2025
10.19	Revolving Credit Agreement by and among Snap Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, dated May 6, 2022	10-Q	001-38017	10.2	July 22, 2022
10.20	Amendment No. 1 to Revolving Credit Agreement, dated February 12, 2025, by and among Snap Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-38017	10.1	February 18, 2025
10.21	Snap Inc. Non-Employee Director Compensation Policy	10-Q	001-38017	10.3	July 25, 2023
10.22+	Form of Time Share Agreement	10-Q	001-38017	10.3	October 26, 2018
10.23+	Snap Inc. 2026 Bonus Program				
19.1	Snap Inc. Insider Trading Policy	10-K	001-38017	19.1	February 4, 2025
21.1	List of Subsidiaries				
23.1	Consent of Ernst & Young, LLP, independent registered public accounting firm				

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)/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)/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				
97.1+	Snap Inc. Incentive Compensation Recoupment Policy	10-K	001-38017	10.26	February 7, 2024
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 Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label 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 Annual Report on Form 10-K 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.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: February 4, 2026

/s/ Derek Andersen

Derek Andersen
Chief Financial Officer
(Principal Financial Officer)

Date: February 4, 2026

/s/ Rebecca Morrow

Rebecca Morrow
Chief Accounting Officer
(Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934 this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Evan Spiegel</u> Evan Spiegel	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	February 4, 2026
<u>/s/ Robert Murphy</u> Robert Murphy	Director and Chief Technology Officer	February 4, 2026
<u>/s/ Derek Andersen</u> Derek Andersen	Chief Financial Officer <i>(Principal Financial Officer)</i>	February 4, 2026
<u>/s/ Rebecca Morrow</u> Rebecca Morrow	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	February 4, 2026
<u>/s/ Kelly Coffey</u> Kelly Coffey	Director	February 4, 2026
<u>/s/ Joanna Coles</u> Joanna Coles	Director	February 4, 2026
<u>/s/ Elizabeth Jenkins</u> Elizabeth Jenkins	Director	February 4, 2026
<u>/s/ Jim Lanzone</u> Jim Lanzone	Director	February 4, 2026
<u>/s/ Michael Lynton</u> Michael Lynton	Director	February 4, 2026
<u>/s/ Matthew McRae</u> Matthew McRae	Director	February 4, 2026
<u>/s/ Scott D. Miller</u> Scott D. Miller	Director	February 4, 2026
<u>/s/ Patrick Spence</u> Patrick Spence	Director	February 4, 2026
<u>/s/ Poppy Thorpe</u> Poppy Thorpe	Director	February 4, 2026
<u>/s/ Fidel Vargas</u> Fidel Vargas	Director	February 4, 2026

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

Snap Inc. ("we," "our," or "us") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our Class A common stock, \$0.00001 par value per share. The following description of our capital stock is a summary and does not purport to be complete. It is qualified in its entirety by, and should be read in conjunction with, our certificate of incorporation, bylaws, and applicable Delaware law.

Authorized Capital Stock

Our authorized capital stock consists of 4,460,887,848 shares, of which:

- 3,000,000,000 shares are designated as Class A common stock, \$0.00001 par value per share;
- 700,000,000 shares are designated as Class B common stock, \$0.00001 par value per share;
- 260,887,848 shares are designated as Class C common stock, \$0.00001 par value per share; and
- 500,000,000 shares are designated as preferred stock, \$0.00001 par value per share.

Class A Common Stock, Class B Common Stock, and Class C Common Stock

Voting Rights

Our Class A common stock is non-voting and is not entitled to any votes on any matter that is submitted to a vote of our stockholders, except as required by Delaware law. Delaware law would permit holders of Class A common stock to vote, with one vote per share, on a matter if we were to:

- change the par value of the common stock; or
- amend our certificate of incorporation to alter the powers, preferences, or special rights of the common stock as a whole in a way that would adversely affect the holders of our Class A common stock.

In addition, Delaware law would permit holders of Class A common stock to vote separately, as a single class, if an amendment to our certificate of incorporation would adversely affect them by altering the powers, preferences, or special rights of the Class A common stock, but not the Class B common stock or Class C common stock. As a result, in these limited instances, the holders of a majority of the Class A common stock could defeat any amendment to our certificate of incorporation. For example, if a proposed amendment of our certificate of incorporation provided for the Class A common stock to rank junior to the Class B common stock and Class C common stock with respect to (i) any dividend or distribution, (ii) the distribution of proceeds were we to be acquired, or (iii) any other right, Delaware law would require the vote of the Class A common stock, with each share of Class A common stock entitled to one vote per share. In this instance, the holders of a majority of Class A common stock could defeat that amendment to our certificate of incorporation. Moreover, if an amendment to our certificate of incorporation would alter the powers, preferences, or special rights of the Class A common stock and either the Class B common stock or the Class C common stock in a way that would affect them adversely compared to the unaffected class, Delaware law would permit the holders of Class A common stock to vote with the other adversely affected class of common stock together as a single class. For example, if a proposed amendment to our certificate of incorporation provided for the Class A common stock and Class B common stock to rank junior to the Class C common stock with respect to (i) any dividend or distribution, (ii) the distribution of proceeds were we to be acquired, or (iii) any other right, Delaware law would require the vote of the Class A common stock and Class B common stock voting together as a single class, with each share of Class A common stock and Class B common stock entitled to one vote per share. In this instance, the holders of a majority of the Class A common stock and Class B common stock, voting together as a single class, could defeat that amendment to our certificate of incorporation.

Our certificate of incorporation provides that the number of authorized shares of common stock or any class of common stock, including our Class A common stock, may be increased or decreased (but not below the number of shares of common stock then outstanding) by the affirmative vote of the holders of a majority of the Class B common stock and Class C common stock, voting together as a single class. As a result, the holders of a majority of the outstanding Class B common stock and Class C common stock can approve an increase or decrease in the number of authorized shares of Class A common stock without a separate vote of the holders of Class A common stock. This could allow us to increase and issue additional shares of Class A common stock beyond what is currently authorized in our certificate of incorporation without the consent of the holders of our Class A common stock.

Holders of our Class B common stock are entitled to one vote per share and holders of Class C common stock are entitled to ten votes per share on any matter submitted to our shareholders. Except as set forth above, holders of shares of Class B common stock and Class C common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders. In addition, each class of our common stock may have the right to vote separately in certain instances as listed below under “-Economic Rights.”

On the date that all outstanding shares of Class C common stock have converted to Class B common stock, all shares of Class B common stock will convert to Class A common stock and the holders of Class A common stock will be entitled to one vote per share.

Our certificate of incorporation does not provide for cumulative voting for the election of directors.

Founder Proxy Agreement

Evan Spiegel and Robert Murphy, our co-founders, have entered into a proxy agreement with each other. The agreement will apply 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.

Under the proxy agreement, Mr. Spiegel has designated Mr. Murphy as his designated proxy holder, and Mr. Murphy has designated Mr. Spiegel as his designated proxy holder. Each co-founder has the right to select from time to time an alternate proxy holder who would exercise the proxy if the primary proxy holder were unable or unwilling to serve as a proxy. Mr. Spiegel and Mr. Murphy have each appointed Michael Lynton as his alternate proxy. Mr. Spiegel and Mr. Murphy may not change the primary proxy holder without the other’s consent. A proxy holder will have the right to exercise all of the voting and consent rights of our shares of Class B common stock and Class C common stock beneficially owned by the deceased or disabled co-founder or over which he has voting control on and for the nine months following the co-founder’s death or during his disability. Before any proxy holder may vote or act by written consent with respect to the shares of Class B common stock and Class C common stock over which they hold a proxy, that proxy holder will meet with the independent members of our board of directors within 90 days of the co-founder’s death or disability.

The proxy agreement will terminate as soon as any of the following occur: (i) nine months after the death of both Mr. Spiegel and Mr. Murphy, (ii) the liquidation, dissolution, or winding up of our business operations, (iii) the execution by us of a general assignment for the benefit of creditors or the appointment of a receiver or trustee to take possession of our property and assets, or (iv) the date as of which Mr. Spiegel and Mr. Murphy terminate the proxy agreement by written consent of Mr. Spiegel and Mr. Murphy, with notice to us.

Co-Founder’s Agreements

Each of Evan Spiegel and Robert Murphy has also entered into a co-founder’s agreement, pursuant to which, under certain circumstances related to the Special Dividend (as defined under the heading “Economic Rights - Dividends and Distributions” below) Mr. Spiegel and Mr. Murphy must convert a share of Class B common stock or Class C common stock, as the case may be, into a share of Class A common stock.

Specifically, (i) in the event Mr. Spiegel or Mr. Murphy sells during any Conversion Period (as defined below) a share of Class A common stock received as the Special Dividend on a share of Class B common stock, he

shall be required to convert such share of Class B common stock into a share of Class A common stock and (ii) in the event Mr. Spiegel or Mr. Murphy sells during any Conversion Period a share of Class A common stock received as the Special Dividend on a share of Class C common stock, he shall be required to convert such share of Class C common stock into one share of Class A common stock ((i) and (ii) collectively, the “Conversion Requirement”), unless a majority of the Independent Directors (as defined in our certificate of incorporation) waives the Conversion Requirement prior to such conversion.

“Conversion Period” shall mean either of the following periods of time: (i) beginning on June 30, 2023 and ending on January 1, 2027; or (ii) beginning on the date (if any) on which Mr. Spiegel or Mr. Murphy, as applicable, has neither been a director nor an employee for a continuous period of two (2) years (subject to certain exceptions), and ending on the date (if any) on which Mr. Spiegel or Mr. Murphy, as applicable, resumes service with us as a director or employee; provided, that no Conversion Period shall commence prior to the declaration and payment of the Special Dividend.

The Conversion Requirement does not apply to any sale (i) that would meet the requirements of a permitted transfer or (ii) (x) that constitutes a donation of such dividend shares to a tax-exempt organization or (y) the net proceeds of which are donated to a tax-exempt organization.

Each co-founder’s agreement will terminate as soon as any of the following occur: (i) Mr. Spiegel or Mr. Murphy, as applicable, along with their permitted transferees and qualified trusts and certain affiliates, ceases to own any shares of Class C common stock or Class B common stock following the payment of the Special Dividend (including as a result of the occurrence of the Final Conversion Date (as defined in our certificate of incorporation)); (ii) if the condition for the declaration of the Special Dividend has not been satisfied as of such date, the tenth (10th) anniversary of the effective date of the co-founder’s agreement; or (iii) the date as of which Mr. Spiegel or Mr. Murphy, as applicable, agrees to terminate the co-founder’s agreement and such termination has been approved by a majority of the Independent Directors and executed on our behalf.

Economic Rights

Except as otherwise expressly provided in our certificate of incorporation or required by Delaware law, all shares of Class A common stock, Class B common stock, and Class C common stock will have the same rights and privileges and rank equally, share ratably, and be identical in all respects for all matters, including those described below:

Dividends and Distributions. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of Class A common stock, Class B common stock, and Class C common stock will be entitled to share equally, identically, and ratably, on a per share basis, with respect to any dividend or distribution of cash or property paid or distributed by us, unless different treatment of the shares of the affected class is approved by the affirmative vote of the holders of a majority of the outstanding shares of the class treated adversely voting separately as a class. Even though holders of Class A common stock are not normally entitled to a vote on matters presented to our stockholders, they would be entitled to vote separately as a class, with one vote per share, on dividends and distributions if the holders of Class A common stock were treated adversely. As a result, if the holders of Class A common stock were treated adversely in any dividend or distribution, the holders of a majority of Class A common stock could defeat that dividend or distribution. In addition, if any two classes of common stock are treated adversely relative to another class of common stock with respect to any dividend or distribution, the vote of the holders of a majority of the adversely affected classes, voting together as a single class, would be required to approve that dividend or distribution. For example, if we were to make a distribution of cash to the holders of Class C common stock but not make a cash distribution or make a distribution of stock instead of cash to the holders of Class A common stock and Class B common stock, the holders of a majority of Class A common stock and Class B common stock, voting together as a single class, would be required to approve that dividend or distribution. In that scenario, each share of Class A common stock and Class B common stock would be entitled to one vote per share.

Our board of directors, after receiving the recommendation of a special committee of the board of directors (the “Special Committee”), determined that it is advisable and in our best interests, and in the best interests of our stockholders (other than Mr. Spiegel and Mr. Murphy and certain of their respective affiliates that hold shares of our capital stock, as to whom no determination was made), to declare and pay a special dividend of one share of Class A common stock as a one-time stock dividend on each outstanding share of our common stock (the “Special Dividend”); provided, however, that the Special Dividend shall not be declared until the first business day following the date on which (i) the 90-Day VWAP (as defined below) calculated as of such date equals or exceeds \$40 per share (as adjusted to take into account any stock split, stock dividend or similar event), and (ii) the ratio of the 90-day VWAP to \$8.70 (as adjusted to reflect reinvestment of any dividends and take into account any stock split, stock dividend or similar event) equals or exceeds the ratio of the average closing price of the S&P 500 index (as adjusted to reflect reinvestment of dividends) for the same 90 trading days, for which 90-Day VWAP was calculated to 8,862.85. “90-Day VWAP” means the average of the volume weighted average price per share of Class A common stock traded on the New York Stock Exchange, or any other national securities exchange on which the shares of Class A common stock are then traded, for each of the 90 trading days ending on, and including, the first trading day immediately preceding the date of determination of the 90-Day VWAP. If the 90-Day VWAP does not exceed \$40 per share by July 21, 2032, the Special Dividend will not be declared and paid and the co-founder’s agreements shall terminate and be of no further force and effect.

Liquidation Rights. On our liquidation, dissolution, or winding-up, the holders of Class A common stock, Class B common stock, and Class C common stock will be entitled to share equally, identically, and ratably in all assets remaining after the payment of any liabilities, liquidation preferences, and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of each class of common stock, including the Class A common stock, voting separately as a class. As a result, the holders of a majority of each class of common stock, including the Class A common stock, could defeat a proposed distribution of any assets on our liquidation, dissolution, or winding-up if that distribution were not to be shared equally, identically, and ratably.

Change of Control Transactions. The holders of Class A common stock, Class B common stock, and Class C common stock will be treated equally and identically with respect to shares of Class A common stock, Class B common stock, or Class C common stock owned by them, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of each class of common stock, including the Class A common stock, voting separately as a class, on (i) the closing of the sale, lease, exclusive license, or other disposition of all or substantially all of our assets, (ii) the consummation of a merger, reorganization, consolidation, or share transfer which results in our voting securities outstanding immediately before the transaction (or the voting securities issued with respect to our voting securities outstanding immediately before the transaction) representing less than a majority of the combined voting power of the voting securities of the company or the surviving or acquiring entity, or (iii) the closing of the transfer (whether by merger, consolidation, or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons of securities of the company if, after closing, the transferee person or group would hold 50% or more of the outstanding voting power of the company (or the surviving or acquiring entity). However, consideration to be paid or received by a holder of common stock in connection with any such asset sale, merger, reorganization, consolidation, or share transfer under any employment, consulting, severance, or other arrangement will be disregarded for the purposes of determining whether holders of common stock are treated equally and identically. As a result, the holders of a majority of each class of common stock, including the holders Class A common stock, could defeat a change of control transaction if the holders of Class A common stock, Class B common stock, and Class C common stock were not to be treated equally and identically in such change of control transaction.

Subdivisions and Combinations. If we subdivide or combine in any manner outstanding shares of Class A common stock, Class B common stock, or Class C common stock, the outstanding shares of the other classes will be subdivided or combined in the same manner.

If holders of Class A common stock are treated the same as holders of Class B common stock and Class C common stock with respect to the dividends and distributions, liquidation rights, change of control transactions, and

subdivisions and combinations, such holders of Class A common stock will not have the right to vote on such matters.

No Preemptive or Similar Rights

Our Class A common stock, Class B common stock, and Class C common stock are not entitled to preemptive rights, and are not subject to conversion, redemption, or sinking fund provisions, except for the conversion provisions with respect to the Class B common stock and Class C common stock described below.

Conversion

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Each share of Class C common stock is convertible at any time at the option of the holder into one share of Class B common stock.

On any transfer of shares of Class B common stock, whether or not for value, each such transferred share will automatically convert into one share of Class A common stock, except for certain transfers described in our certificate of incorporation, including transfers for tax and estate planning purposes, so long as the transferring holder continues to hold sole voting and dispositive power with respect to the shares transferred. Any holder's shares of Class B common stock will automatically convert into Class A common stock, on a one-to-one basis, on the death of the holder.

On any transfer of shares of Class C common stock, whether or not for value, each transferred share will automatically convert into one share of Class B common stock, except for certain transfers described in our certificate of incorporation, including transfers for tax and estate planning purposes, so long as the transferring holder or a qualified trustee for that holder continues to hold sole voting and dispositive power with respect to the shares transferred, and transfers between founders.

Any holder's shares of Class C common stock will automatically convert into Class B common stock, on a one-to-one basis, on the date on which the number of outstanding shares of Class C common stock held by that holder represents less than 32,383,178 shares of Class C common stock, which represents 30% of the 107,943,924 shares of Class C common stock held by that holder on the date of the closing of our initial public offering. Any holder's shares of Class C common stock will automatically convert into Class B common stock, on a one-to-one basis, nine months after the death of that holder. Once there are no shares of Class C common stock outstanding, all shares of Class B common stock will convert to Class A common stock, on a one-to-one basis, and all shares of Class A common stock will have one vote per share, as described in our certificate of incorporation. Either of our founders may transfer shares of Class B common stock or Class C common stock to the other founder or a founder's permitted transferee without such transferred shares converting into Class A common stock or Class B common stock, respectively. In addition, either founder may transfer shares of Class B common stock or Class C common stock to a qualified trustee without such transferred shares converting into Class A common stock or Class B common stock, respectively. A qualified trustee is a professional in the business of providing trustee services that is subject to appointment and removal solely by that founder or, following a founder's death or during the founder's disability event, by the founder's designated proxy (who may be the other founder or another person selected by the founder and approved to act in that role by the independent members of our board of directors). A qualified trustee may not have any pecuniary interest in any Class B common stock or Class C common stock held by any entity of which that person is a trustee. Shares of Class C common stock held by a founder's qualified trustee will convert to Class B common stock nine months after the death of that founder. Termination of a founder's employment or services with us does not result in conversion of Class C common stock held by such founder.

Once transferred and converted into Class A common stock, the Class B common stock may not be reissued. Once transferred and converted into Class B common stock, the Class C common stock may not be reissued.

Preferred Stock

Our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges, and restrictions of up to an aggregate of 500,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our Class A common stock, Class B common stock, or Class C common stock. Any issuance of our preferred stock could adversely affect the voting power of holders of our Class B common stock or Class C common stock, and the likelihood that such holders would receive dividend payments and payments on liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring, or preventing a change of control or other corporate action.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the voting power of our shares of common stock will be able to elect all of our directors. Our certificate of incorporation and bylaws provide for stockholder actions at a duly called meeting of stockholders or, before the date on which all shares of common stock convert into a single class, by written consent. A special meeting of stockholders may be called by a majority of the total number of authorized directors of our board of directors, the chair of our board of directors, our chief executive officer, or, before the date on which all shares of common stock convert into a single class, the holders of at least 30% of the total voting power of our Class A common stock, Class B common stock, and Class C common stock, voting together as a single class. Our bylaws include an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors.

Our certificate of incorporation further provides for a tri-class common stock structure, which provides Mr. Spiegel, our co-founder and Chief Executive Officer, and Mr. Murphy, our co-founder and Chief Technology Officer, or Mr. Spiegel alone, with control over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

The foregoing provisions will make it more difficult for our existing stockholders, other than Mr. Spiegel and Mr. Murphy, or Mr. Spiegel alone, to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of 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 change our control.

These provisions, including the tri-class structure of our common stock, are intended to preserve our existing founder control structure, facilitate our continued product innovation and the risk-taking that it requires, permit us to continue to prioritize our long-term goals rather than short-term results, enhance the likelihood of continued stability in the composition of our board of directors and its policies, and discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts.

When we have a class of voting stock that is either listed on a national securities exchange or held of record by more than 2,000 stockholders, we will be subject to Section 203 of the Delaware General Corporation Law (the “DGCL”). Section 203 of the DGCL prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, subject to certain exceptions.

Choice of Forum

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty owed by any director, officer, or other employee to us or to our stockholders; (iii) any action asserting a claim against us arising under the DGCL, our certificate of incorporation, or our bylaws; or (iv) 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 of 1933, as amended (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 of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Listing

Our Class A common stock is listed on the New York Stock Exchange under the symbol “SNAP.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC.

October 24, 2025

Zachary Briers
Via personal email

Dear Zachary,

Congratulations! We are thrilled to offer you a position at Snap Inc. (the “Company” or “Snap”). As a member of our team, you will be eligible for the following starting total rewards package:

Offer Summary:

Initial Title: General Counsel

Start Date: November 17, 2025

Work Location and Office Address: Santa Monica - 2950 31st St

Job Classification: Full time, exempt

Annual Salary: \$1,000,000

Annual Equity Target: \$8,000,000 subject to the terms below

You will be paid biweekly, subject to applicable payroll deductions and withholdings.

Snap offers a wide full range of benefits to support you and your qualified dependents. You may participate in Snap’s benefit programs from your date of hire. Check out the enclosed benefits documents for more details, or contact Recruiting for the current suite of benefits available to you.

You will be paid a cash sign-on bonus of \$1,000,000 in 12 equal monthly installments, with the first installment paid on the first available payroll period following your actual employment start date, less applicable payroll deductions and withholdings. In the event you voluntarily leave the Company within 24 months of your start date, you will forfeit any unpaid amount of the sign-on bonus and be responsible for reimbursing the Company any previously paid amounts of the sign-on bonus.

You may be eligible to receive discretionary equity awards pursuant to the Company's compensation program. Please note that whether or not you are eligible to receive discretionary equity awards, as well as the form, amount, and terms of the award, will be determined by the Company in its sole discretion. Please see below for more information about our equity plan and equity awards.

Under the Snap Inc. 2017 Equity Incentive Plan or any successor equity plan (the “Plan”), and subject to approval by the Company’s Board of Directors (the “Board”), the Company will grant you an award of restricted stock units (“RSUs”) as new hire RSUs (“New Hire RSUs”) with an aggregate value of at least \$24,000,000. So long as you remain an employee, the New Hire RSUs will vest quarterly over 36 months in quarterly installments.

Subject to your performance, you also will be eligible to receive ongoing equity awards with a target annual value of \$8,000,000 based on your initial title and work location issued in RSUs subject to vesting. Such ongoing equity will begin vesting after the full vesting of your three-year new hire RSUs.

For any of the equity awards described above, the number of RSUs granted will be determined by using the fair market value of the Company’s Common Stock, based on the methodology adopted by the Board for such awards. The vesting date and grant price for each award will be set by the Board and you will be notified of the same.

For all RSUs, the Company may, in its sole discretion, elect to hold back a number of vested shares required to cover the taxes, withholdings, and other similar obligations due upon the issuance of the vested RSU shares to you. In all cases, all RSUs will be subject to the terms and conditions of the Plan and the applicable grant agreement.

All equity grants are subject to approval by the Board and will be awarded pursuant to the Plan and any Company compensation program.

You are being offered employment at the Company because of the personal skills and experience you have, not because of any confidential, proprietary, or trade-secret information of a former or current employer you may have. In your work for the Company, we do not want you to use or disclose any such confidential, proprietary, or trade-secret information. Likewise, as an employee of the Company, you may learn about confidential, proprietary, or trade-secret information related to the Company and its clients. To protect the interests of both the Company and its clients, all employees are required to read and sign the enclosed Confidential Information and Inventions Assignment Agreement as a condition of employment at the Company. Also enclosed for you to review and then sign as a condition of employment are the Conflict of Interest Agreement, the Acknowledgement of At-Will Employment, and our Arbitration Agreement, which provides that all disputes arising out of your employment must be resolved through binding arbitration. We encourage you to read all these documents carefully, and to seek independent legal counsel if you have any questions about the meaning or scope of these documents.

Snap Inc. is a dynamic and iterative company and as such, our programs and practices may change from time to time at the Company's sole discretion. This includes changes to the total rewards package described above. The Company may change your position, duties, and work location from time to time at its discretion. As a Snap Inc. employee, you will be expected to follow Company policies and acknowledge in writing that you have read our Employee Handbook. With the exception of the "employment at-will" policy discussed below, the Company may modify or eliminate its policies at its discretion.

Your employment with the Company is at-will. This means you may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying us. Likewise, the Company may terminate your employment at any time or change the terms and conditions of your employment, with or without cause or notice. By signing below, you agree to the at-will nature of your employment and acknowledge that this paragraph describing the at-will nature of your employment supersedes any other agreements or promises made to you by anyone, whether written or oral. Your employment at-will status can be modified only in a written agreement signed by an officer of Snap Inc.

If you accept our offer, we would like you to start on the start date stated in the offer summary above. This offer is contingent upon a background-check clearance, validation that the information in your resume is true and accurate, reference check, and satisfactory proof of your right to work in the United States. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions. This offer letter supersedes any other agreements or promises made to you by anyone, whether oral or written.

If you wish to accept employment at Snap Inc. under the terms described above, please sign and date this offer letter, the enclosed Confidential Information and Inventions Assignment Agreement, Conflict of Interest Agreement, Acknowledgement of At-Will Employment, Export Control Laws Compliance Screening Form, and Arbitration Agreement, and return them all to me by the expiration date stated in the offer summary above.

We're excited to have you join the team.

Sincerely,

/s/ Scott Withycombe

Scott Withycombe
Chief People Officer

Accepted and agreed:

/s/ Zachary Briers

Zachary Briers

Date: October 24, 2025

Attachment: Confidential Information and Inventions Assignment Agreement

Conflict of Interest Agreement

Acknowledgement of At-Will Employment

Arbitration Agreement

Export Control Laws Compliance Screening Form

SNAP INC.
2026 BONUS PROGRAM

Overview

This Snap Inc. (the “**Company**”) 2026 Bonus Program (the “**Program**”) is effective as of January 1, 2026 (the “**Effective Date**”). The Program is designed to motivate, retain, and reward certain executive officers and other Company employees with performance-based incentive compensation from the Effective Date through December 31, 2026 (the “**Performance Period**”).

To be eligible to earn and receive a bonus under the Program, individuals must be employed by the Company during the Performance Period and designated for participation by the Compensation Committee of the Company’s Board of Directors (the “**Committee**”) and be employed by the Company on the Payment Date (as defined below) (each a “**Participant**”). The Program will be administered by the Committee.

The Program is designed to award a bonus payment (each a “**Bonus**”) to Participants for performance during the Performance Period based in part on the level of achievement of certain Company-wide priorities and objectives.

Program Objective

The Program is intended to encourage and reward the achievement of Company-wide priorities and objectives and the contributions and efforts of the Participants, as determined from time-to-time by the Committee.

Program Bonus Targets

Under the Program, each Participant is eligible to earn a Bonus in an amount up to a specified percentage of his or her base salary as at December 31, 2026, with such percentage based in part on the position such Participant holds with the Company (the “**Bonus Target**”). Under the Program, the Bonus Targets are up to 50% of a Participant’s base salary as at December 31, 2026.

Determining the Bonus Payments

After the end of the Performance Period, the Company will evaluate the level of achievement by the Company of certain Company-wide priorities and objectives, and the relative contributions and efforts of the Participants. The Company will present such evaluation to the Committee for its review and final approval. Bonus Target levels for Participants may be adjusted, as determined by the Committee. The Committee also has the right, in its sole discretion, to adjust the Bonus Target for any Participant upward in the event of over-achievement, significant performance, or effort, as determined by the Committee. There is no set formula for determining the amount of the Bonus earned. Rather, the Committee will exercise its discretion in determining the amount of the Bonus actually earned, which determination will be final and binding.

In making its determination, the Committee will consider the recommendations made by the Chief Executive Officer. In addition, the Committee may also take into account the achievement of publicly announced targets, strategic goals, cross-functional teamwork and collaboration, and unforeseen changes in the economy.

Timing of Bonus Payments

Payment of Bonuses earned under the Program is expected to occur in the first quarter of 2027 following the conclusion of the Performance Period as determined by the Committee in its sole discretion (the “**Payment Date**”). Any Bonuses earned by Participants will be paid in cash or shares of Snap Inc. Class A common stock granted under the Snap Inc. 2017 Equity Incentive Plan at the Company’s discretion. A Participant must be employed by the Company on the Payment Date to earn any Bonus. In the event that a Participant terminates employment or service with the Company for any reason prior to the Payment Date, the Participant will forfeit his or her right to payment of any Bonus.

Miscellaneous Provisions

Participation in the Program will not alter Participant’s at-will employment, and such employment may be terminated at any time for any reason, with or without cause, and with or without prior notice. Nothing in this Program will be construed to be a guarantee that any Participant will receive all or part of a Bonus or to imply a contract between the Company and any Participant.

This Program supersedes and replaces all prior incentive and bonus plans of the Company with respect to the Participants. The Committee may amend or terminate this Program at any time, with or without notice. The Committee may likewise terminate an individual’s participation in the Program at any time, with or without notice. Further, the Committee may modify the Company-wide priorities and objectives, the Bonus Targets, or any other evaluation or award criteria at any time.

Any Bonuses paid under this Program will be subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company, or as is otherwise required by applicable law.

It is intended that the Program and any Bonuses granted and paid under the Program be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the Committee will interpret and administer the Program accordingly.

The Program will be interpreted in accordance with California law without reference to conflicts of law principles.

Subsidiaries of the Registrant

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
Snap LLC	Nevada
Snap Group Limited	United Kingdom
Snap International I Limited	United Kingdom
Snap International II Limited	United Kingdom
Snap Intermediate Inc.	Delaware
Snap Group SAS	France
Snap Aus Pty Ltd	Australia
Snap ULC	Canada
Snap Camera GmbH	Germany
Oleander LLC	Delaware
Wave Optics Limited	United Kingdom

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 333-216495, 333-224591, 333-229530, 333-236257, 333-252789, 333-262543, 333-271507, 333-278955, 333-286905) pertaining to the Snap Inc. 2017 Equity Incentive Plan, Snap Inc. 2017 Employee Stock Purchase Plan, and a separate Snap Inc. Restricted Stock Unit Award Agreement of our reports dated February 4, 2026, with respect to the consolidated financial statements of Snap Inc., and the effectiveness of internal control over financial reporting of Snap Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2025.

/s/ Ernst & Young LLP

Los Angeles, California
February 4, 2026

**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 annual report on Form 10-K 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: February 4, 2026

/s/ Evan Spiegel

Evan Spiegel
Chief Executive Officer
(Principal Executive Officer)

**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, Derek Andersen, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 4, 2026

/s/ Derek Andersen

Derek Andersen
Chief Financial Officer
(Principal Financial Officer)

**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 Annual Report of Snap Inc. (the “Company”) on Form 10-K for the year ended December 31, 2025 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: February 4, 2026

/s/ Evan Spiegel

Evan Spiegel

Chief Executive Officer

(Principal Executive Officer)

Date: February 4, 2026

/s/ Derek Andersen

Derek Andersen

Chief Financial Officer

(Principal Financial Officer)