



SNAP INTERACTIVE, INC.
INVESTOR PRESENTATION
SEPTEMBER 2017



SNAP-INTERACTIVE.COM | OTCQB: STVI



Safe Harbor

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Certain statements in this presentation constitute “forward-looking statements” relating to Snap Interactive, Inc. (“SNAP,” “Snap Interactive” or the “Company”) made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are based on current expectations, estimates, forecasts and assumptions and are subject to risks and uncertainties. In some cases, you can identify these statements by words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “optimistic,” “potential,” “future” or “continue,” and variations of such words and other comparable terminology. All forward-looking statements speak only as of the date on which they are made. Readers are specifically directed to the Company’s filings with the Securities and Exchange Commission for a description of certain risks, uncertainties and assumptions and to the discussion under “Risk Factors” in the Company’s most recently filed Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other Securities and Exchange Commission filings. These risks and uncertainties, as well as other risks and uncertainties of which the Company is not aware of or which the Company does not currently believe to be material, may cause actual future results to be materially different than those expressed by these forward-looking statements. In addition, there can be no assurance that actual results will meet expectations. Actual results could differ materially because of a number of factors, including, without limitation, factors such as:

- the Company’s ability to successfully integrate the operations of Snap and A.V.M. Software, Inc. (d/b/a Paltalk);
- the Company’s heavy reliance on a limited number of third party platforms to run the Company’s applications;
- the Company’s ability to obtain additional capital or financing to execute its business plan;
- the Company’s reliance on its executive officers;
- the intense competition in the Company’s industry;
- the Company’s ability to release new applications or improve upon existing applications and derive revenue therefrom;
- the Company’s ability to develop, establish and maintain strong brands;
- the Company’s ability to update its applications to respond to trends and preferences;
- the Company’s ability to adapt or modify the Company’s applications for the international market and derive revenue therefrom; and
- the Company’s ability to generate subscribers through advertising and marketing agreements with third party advertising and marketing providers.

The Company’s actual results, performance and achievements may differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. All forward-looking statements speak only as of the date on which they are made. We do not assume responsibility for the accuracy or completeness of any forward-looking statement and you should not rely on forward-looking statements as predictions of future events. We do not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed herein, except to the extent required by applicable securities laws.

Company **SNAP**shot

In October 2016 SNAP & A.V.M. Software, Inc. merged to create a leading provider of live video social networking & interactive dating applications

➤ **Innovative Portfolio** of 9 live video social networking and dating apps

➤ **Large user base:**

- Millions of MAUs in 180 countries
- 179,200 active subscribers²

➤ **Proprietary live video technology:** millions of users broadcasting and consuming video streams daily

Corporate Profile	
OTCQB Ticker	STVI
Closing Price ¹	\$3.00
52-Week Range ³ :	\$3.00-\$9.20
Shares Outstanding:	6.715mm
Public Float:	2.2mm
Market Cap:	\$19.35mm
Enterprise Value:	\$14.75mm
1H 2017 Revenues	\$12.96mm
Total Cash 6/30/17	\$4.6mm

¹Stock price as of 8/23/2017 ²Subscribers as of June 30, 2017 ³Data provided by FactSet Fundamentals

Mission:

To be a leader
in social
products
delivering
live video
experiences
in a mobile
world.



Investment Highlights

- ✓ **Explosive growth market opportunity:**
Live video is disrupting social networking and digital entertainment fields
- ✓ **Established scalable video platform:**
Proprietary live video technology and global commercial platform supports new avenues of growth
- ✓ **Growth via build + buy:**
Proven leadership with track record of innovation, execution and successful acquisitions
- ✓ **Pure play in live video:**
Public company focused on video as the core product and not just as a feature

Live Video and Streaming: Where the Market Is Heading



By 2019 online video will be responsible for 80% of global Internet traffic (Cisco, 2016)

“I see video as a mega-trend, same order as mobile.”

-Mark Zuckerberg

...which is increasingly building a global footprint

Recent Live Video Marketplace Events



Twitter/ Periscope Integration	Facebook Live Full Launch	Musical.ly Launches Live.ly	YouTube opens mobile live streaming
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Source: Business Insider, Tech Crunch

Live Video Is Disrupting Existing Digital Businesses

Industry

Disruptive Effect

Market Opportunity

Digital Video Entertainment
(e.g., **You**Tube)

Live streaming video is truly interactive with its audience, unbundled TV

\$9.1 Billion
(Source: IAB, 2016)

Messaging / Chat
(e.g.,  **WhatsApp**)

Text and emojis replaced by live video interaction


5.9 Billion User Accounts
(Source: Radicati Group, 2017)

Interactive Dating
(e.g., **match.com**)

Live video first date lowers hurdle for high quality interactions

\$3Bln U.S. Market
(Source: IBIS World, 2017)

New Initiatives in SNAP's Innovation Lab

Industry	SNAP Initiative	Launch Date
Digital Video Entertainment (e.g., You Tube)	Live streaming entertainment, initially integrated into Camfrog	Q3 2017
Messaging / Chat (e.g.,  WhatsApp)	Group video chat app connecting friends and family	Q3 2017
Interactive Dating (e.g., match.com)	Video first date application	Q1 2018

An Innovative Social Video Ecosystem

One of the world's largest live video chat communities enabling users to connect and communicate across multiple devices



Addictive apps that are fun and engaging. Our users are logging in multiple times and spending many hours per month on our platforms



- 24/7 entertainment
- Meeting people worldwide (180 countries)
- Staying connected to family/friends
- Communicating with others that have have common interests

Video and Commercial Platform for Growth

SNAP's strong commercial & technology platform provides foundation to capitalize on growth trends

- ✓ Battle-tested proprietary technology platform for live video
 - Supported by a portfolio of 25 issued patents
 - Tech talent centers in two US locations, plus Russia and India
- ✓ Large active subscriber count of 179,200¹ in over 180 countries
- ✓ Multiple streams of monetization, including virtual goods economy
- ✓ Attractive balance sheet with no debt

¹ Active subscriber base as of 6/30/17

Established Product Portfolio – Live Video

Live video social networks gather people around common interests



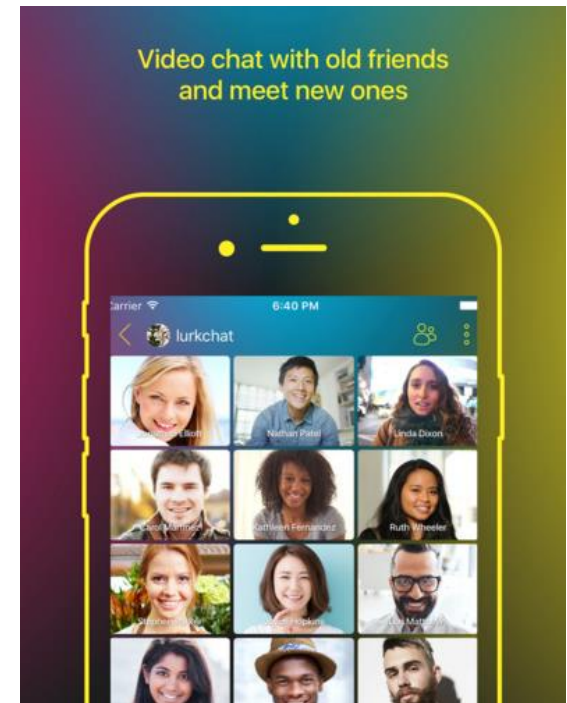
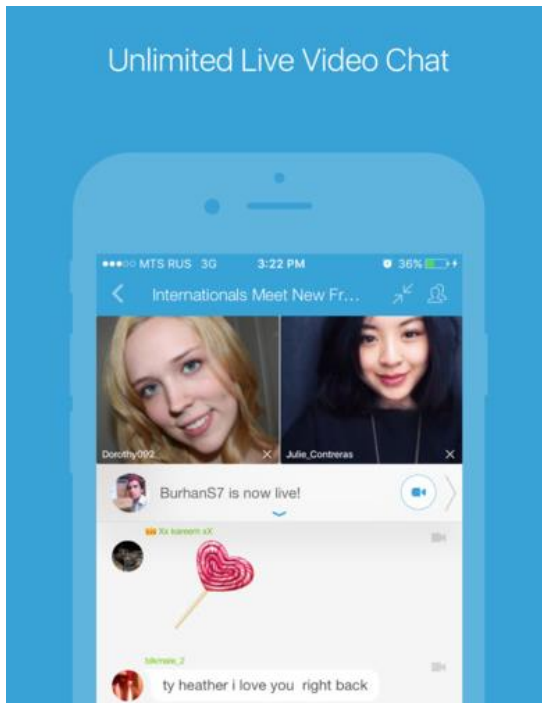
US-focused, worldwide video chat community targeting users over 35



Asia-centric video chat community targeting users from 18-35



US-focused video chat community targeting users 18-35

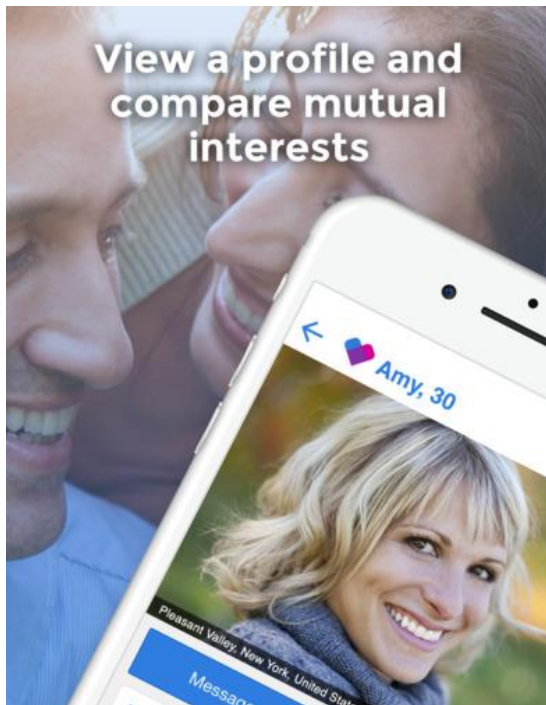


Established Product Portfolio – Interactive Dating

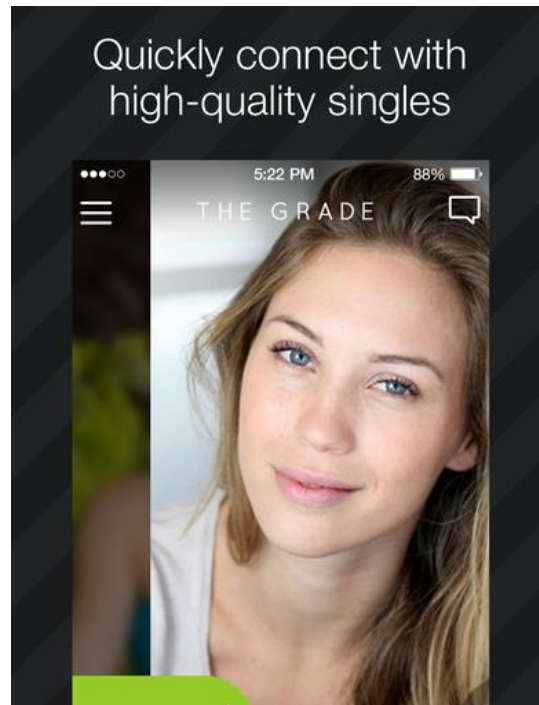
SNAP operates a prominent portfolio of interactive dating applications



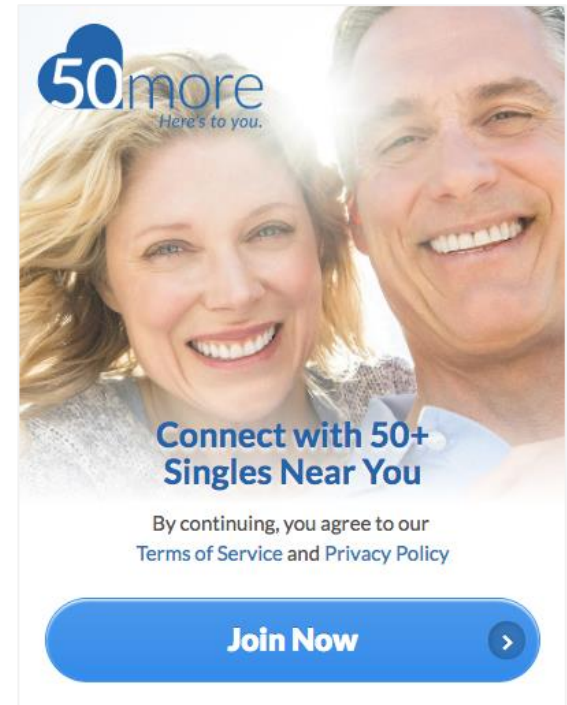
Prominent, game-like dating app targeting users over 35



Launched in 2014, female-friendly swiping app targeting Millennials



Recently launched in beta, provides high quality matches for 50+ singles



User Monetization Models

SNAP has diverse streams of monetization



Subscriptions

- Freemium model engages new and non-paying users
- Premium subscriptions expand access and unlock status



Advertising Revenue

- Driven by ad networks and direct-to-advertiser relationships
- Opportunity for lucrative enterprise-wide brand deals`



Virtual Gifts and Micro-transactions

- Virtual gifts enhance status and build relationships on the platform
- Micro-transactions permit one-time premium access with spontaneous, repeated purchases
- Premium content drives greater engagement and monetization

SNAP's Growth Strategy in the Video World

Live video is driving massive change across the mobile industry

1. Innovate on new and existing video-centric applications

- Extending existing products to embrace Live Streaming
- Developing new group video chat app

2. Adapt dating portfolio to embrace emerging video models

- Integrate dating features into video chat
- Introduce video capabilities into our dating apps

3. Enhance monetization

- New initiatives target enhanced customer monetization

4. Accretive acquisitions

- Historical growth through acquisition, supported by industry fragmentation
- Stock acquisition currency affords targets with liquidity opportunity

Leadership

SNAP has seasoned leadership with diverse and complementary expertise



**Jason Katz, Chairman,
President & COO**

- Founder of A.V.M. Software
- Authority on instant messaging as well as web-based voice and video
- Co-founder MJ Capital, a money management firm
- JD from NYU Law and a BA from the University of Pennsylvania



Alex Harrington, CEO

- Joined SNAP in 2014, has also served as interim CFO
- CEO of MeetMoi, a mobile dating pioneer (sold to Match.com)
- SVP of Strategy & Operations for Zagat (acquired by Google)
- MBA from Wharton and a BA from Williams College





Judy Krandel, CFO

- Prior board member of Snap interactive
- 25 year veteran as a small-cap Portfolio manager and equity analyst
- MBA from the University of Chicago, and a B.S.E. from Wharton

Intellectual Property

- ✓ 26 issued patents related to video conferencing & video game technology
- ✓ Defense of patents has yielded tens of millions of dollars of licensing income
- ✓ Previous licensees include Microsoft, Activision/Blizzard, and Sony



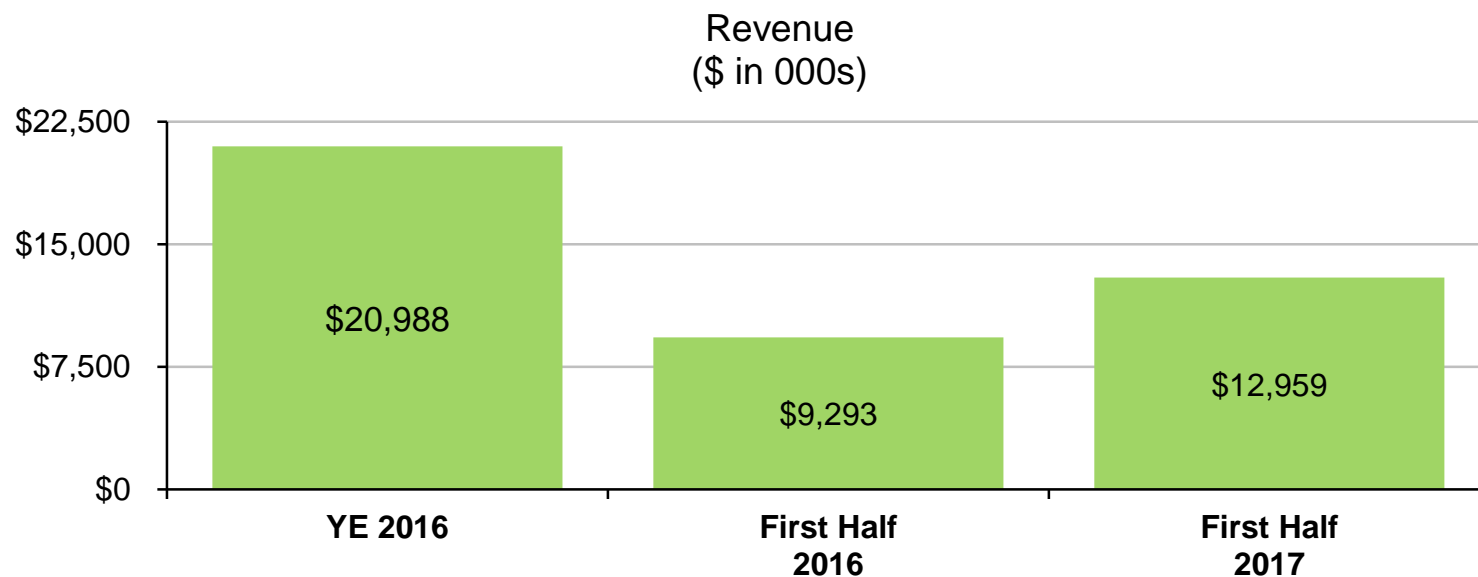
- ✓ Initiated 2 new enforcement actions in December 2016
 - Riot Games (League of Legends) 
 - Valve Corporation (Defense of the Ancients 2) 

Q2 2017 Financial Highlights

- **Quarterly revenue growth** of 43.3% in Q2 2017 and YTD revenue growth of 39.4%, as a result of the addition of pre-Merger SNAP
- Net loss for Q2 2017 of \$1.5 million and YTD net loss of \$2.5 million
- **Quarterly Adj. EBITDA** for Q2 2017 of (\$516) thousand and YTD Adj. EBITDA of (\$729) thousand
- **YTD cash flow** from operations was \$621 thousand
- **Cash and cash equivalents** totaled approximately \$4.6 million as of June 30, 2017, as compared to \$4.1 million as of December 31, 2016
- **Phase two merger integration initiatives** defined to return SNAP to cash flow positive from operations in order to fully fund Innovation Lab investments

Revenues

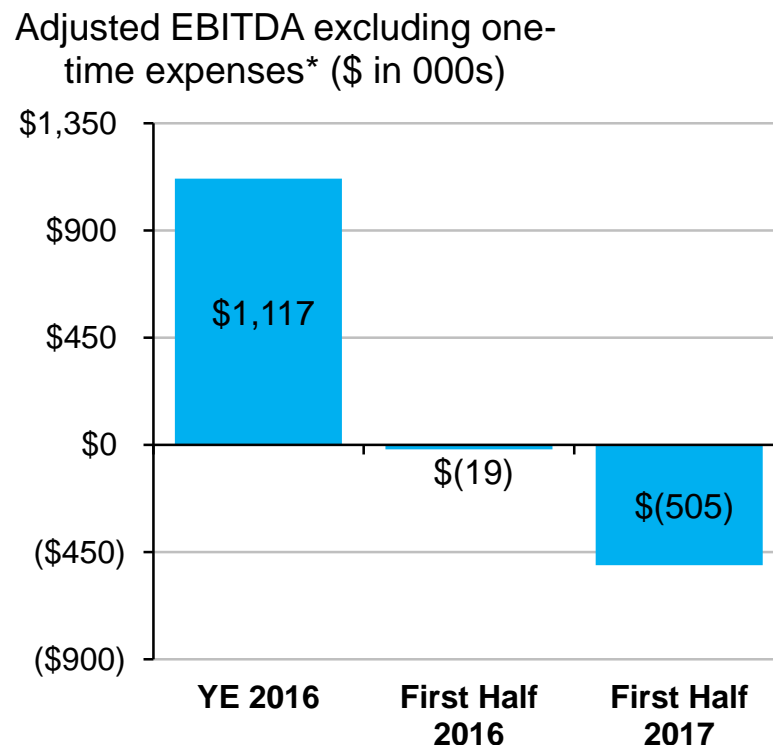
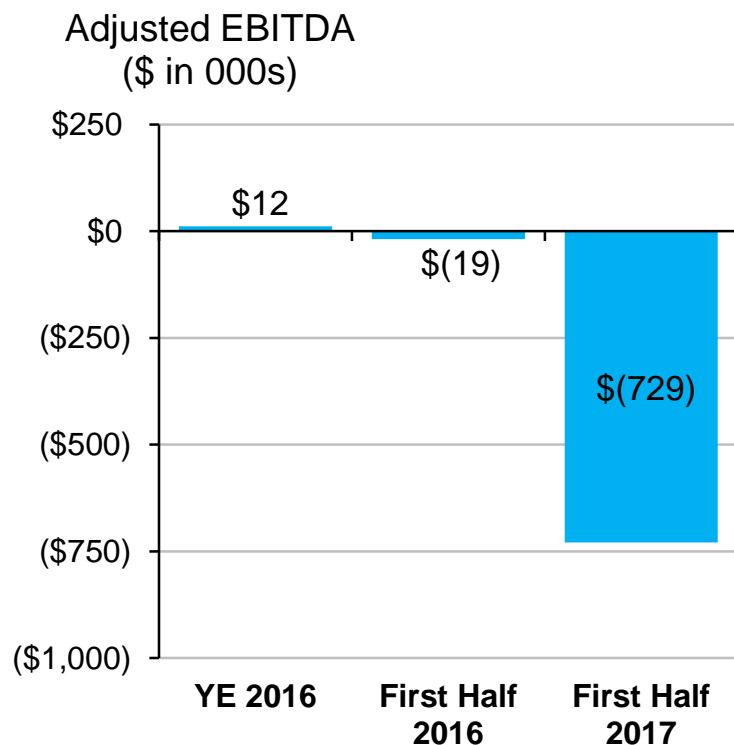
- Revenue growth driven by addition of pre-merger Snap:
 - 2017 YTD revenue growth of 39.4%
 - 2017 YTD subscription growth of 45.0%



	YE 2016	First Half 2016	First Half 2017
Subscription Revenue	\$ 18,648	\$ 8,252	\$ 11,966
Advertising Revenue	\$ 2,341	\$ 1,032	\$ 992

Adjusted EBITDA

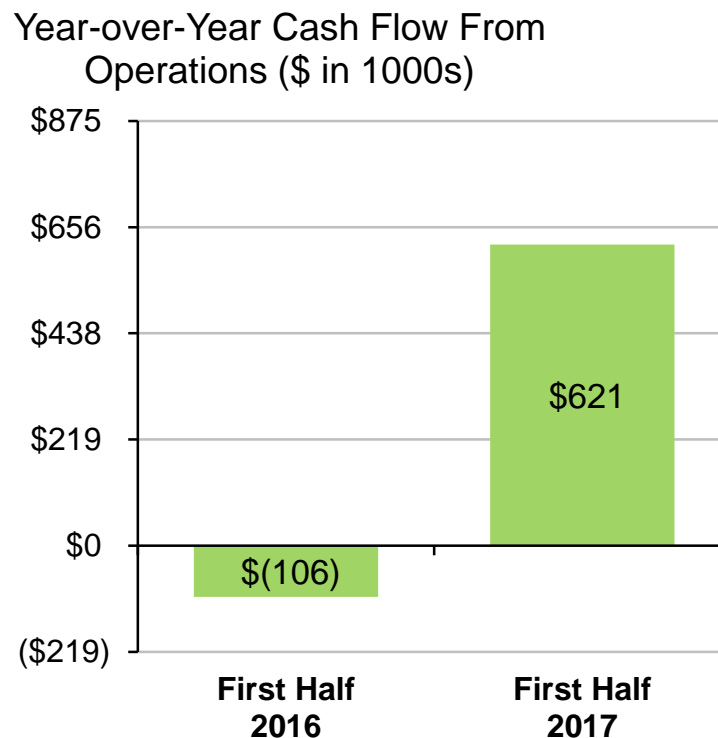
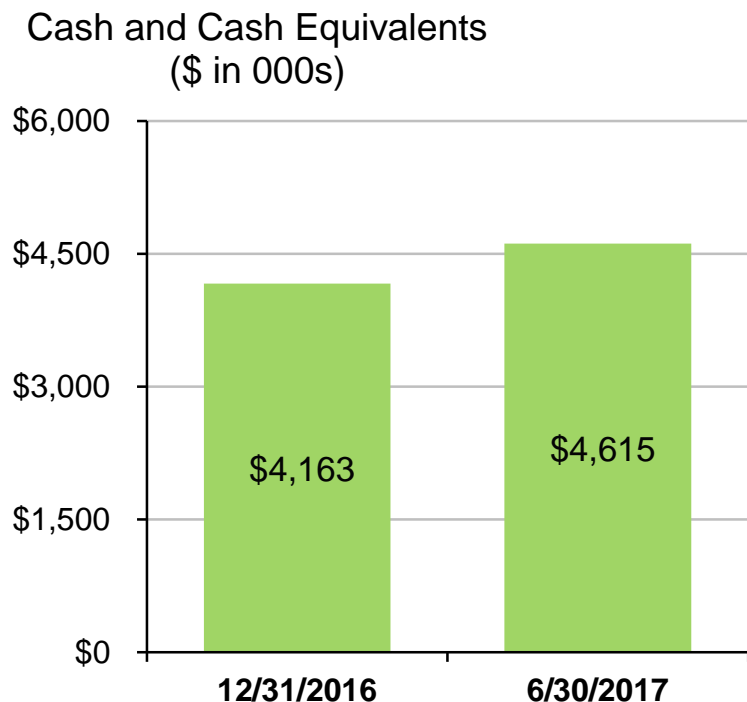
- First Half 2017 Adj. EBITDA was (\$729) thousand, which includes a one time lease cancellation fee of \$225 thousand



*Excludes non-recurring one-time expenses for YE 2016 of \$1.1 million and for the First Half 2017 of \$225 thousand

Cash and Cash Equivalents: Second Quarter 2017

- Cash and cash equivalents totaled approximately \$4.6 million as of June 30, 2017, as compared to \$4.1 million as of December 31, 2016
- Cash flow from operations was \$621 thousand for the six months ended June 30, 2017



Valuation Analysis

- Snap has a modest enterprise value as compared to its peers
- Snap trades at a significant EV/Sales discount as compared to the average of its peers

Company	Stock Symbol	Stock Price ²	Market Cap ²	Enterprise Value ²	TTM Sales ³	TTM ADJ. EBITDA ^{1,4}	EV/Sales ¹	EV/TTM ADJ. EBITDA ¹
Snap Interactive	STVI	\$3.00	\$19M	\$15M	\$25M	(\$0.4)M	0.6x	N/A
The Meet Group	MEET	\$3.56	\$256M	\$237M	\$98M	\$31.9M	2.4x	7.4x
The Match Group	MTCH	\$18.61	\$4.88B	\$5.57B	\$1.3B	\$434.8M	4.3x	12.8x
MOMO	MOMO	\$36.74	\$7.27B	\$6.53B	\$767M	\$299M	8.5x	21.8x
Spark Networks	LOV	\$1.26	\$41M	\$31M	\$30M	\$4.7M	1.0x	6.6x

¹Valuation metrics and data as of 8/23/17; SNAP adjusted EBITDA excludes non-recurring merger related expenses

²Via Reuters Fundamentals

³Via Morningstar

⁴MOMO Inc. does not provide an Adjusted EBITDA; data presented are standardized EBITDA

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Non-GAAP Reconciliation: ADJUSTED EBITDA

Non-GAAP Financial Measures

Adjusted EBITDA is defined as net loss adjusted to exclude interest income (expense), net, depreciation and amortization expense, other income, net and stock-based compensation expense. The Company presents Adjusted EBITDA because it is a key measure used by the Company's management and its Board of Directors to understand and evaluate the Company's core operating performance and trends, to develop short- and long-term operational plans, and to allocate resources to expand the Company's business. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of the cash operating income generated by the Company's business. The Company believes that Adjusted EBITDA is useful to investors and others to understand and evaluate the Company's operating results and it allows for a more meaningful comparison between the Company's performance and that of competitors. Management also presents Adjusted EBITDA excluding merger expenses because the Company believes that excluding expenses related to the merger is useful to investors for comparing our Adjusted EBITDA for the fiscal year ended December 31, 2016 to our Adjusted EBITDA reported for other periods. Management uses these non-GAAP financial measures internally in analyzing the Company's financial results to assess operational performance and to determine the Company's future capital requirements. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared in accordance with GAAP.

Some limitations of Adjusted EBITDA as a financial measure include that:

- Adjusted EBITDA does not (i) reflect cash capital expenditure requirements for assets underlying depreciation and amortization expense that may need to be replaced or for new capital expenditures; (ii) reflect the Company's working capital requirements; or (iii) consider the potentially dilutive impact of stock-based compensation; and
- Other companies, including companies in our industry, may calculate Adjusted EBITDA differently or choose not to calculate Adjusted EBITDA at all, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider this non-GAAP financial information along with other financial performance measures reported in our filings with the Securities and Exchange Commission, including total revenues, subscription revenue, deferred revenue, net income (loss), cash and cash equivalents, restricted cash, net cash used in operating activities and our financial results presented in accordance with GAAP.

The following unaudited table presents a reconciliation of net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted EBITDA for the three and six months ended June 30, 2017 and 2016 and year ended December 31, 2016 (in thousands):

	Three Months Ended		Year Ended		
	6/30/17	6/30/16	6/30/17	6/30/16	12/31/16
Reconciliation of Net Loss to Adjusted EBITDA:					
Net loss	\$ (1,485)	\$ (742)	\$ (2,523)	\$ (701)	\$ (1,453)
Interest expense (income), net	5	(0)	(32)	(1)	60
Other expense (income), net	18	(30)	18	(30)	(351)
Depreciation and amortization expense	544	359	1,096	602	1,403
Loss in disposal of property and equipment	17	-	17	-	-
Stock compensation expense	385	98	694	112	353
Reported Adjusted EBITDA	<u>\$ (516)</u>	<u>\$ (316)</u>	<u>\$ (729)</u>	<u>\$ (19)</u>	<u>\$ 12</u>