



**SNAP INTERACTIVE INC**  
**INVESTOR PRESENTATION**

MAY 2017



[SNAP-INTERACTIVE.COM](http://SNAP-INTERACTIVE.COM) | OTCQB: STVI



# Safe Harbor

This presentation is for discussion purposes only. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.

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.

**Mission:**

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



# Company SNAPshot

The merger between SNAP & A.V.M. Software, Inc. in October 2016 created a leading provider of live video social networking & interactive dating applications

- **Innovative Portfolio** of 8 live video social networking and dating apps
- **Large user base** including millions of MAUs in 180 countries, approximately 183,400 active subscribers, 50k new sign-ups per day<sup>1</sup>
- **Proprietary live video technology** supported by 25 patents can support millions of users broadcasting and consuming video streams daily

Corporate Profile	
OTCQB Ticker	STVI
Closing Price <sup>1</sup>	\$3.35
52-Week Range:	\$1.05-\$7.31
Shares Outstanding:	6.45mm
Public Float:	2.2mm
Market Cap:	\$21.6mm
Enterprise Value:	\$17.4mm
FY 2016 Revenues	\$20.9mm
Total Cash 12/31/16	\$4.2mm

1. Stock price as of 4/26/2017. Subscribers as of March 12, 2017. Average daily new users as of March 2017

# Investment Highlights

- ✓ **Explosive growth market opportunity** – live video is disrupting social networking, entertainment and messaging applications
- ✓ **Established scalable 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** – a public company focused on video as the core product and not just as a feature

# Established Product Portfolio – Live Video

Live video social networks gather people around common interests



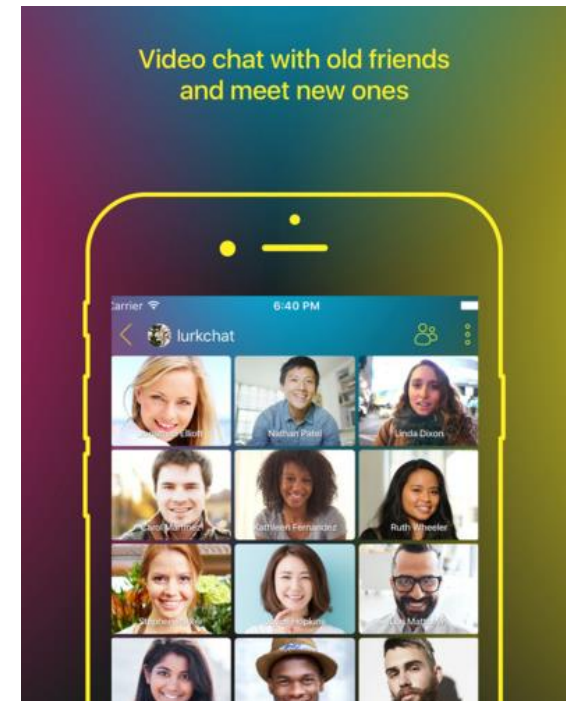
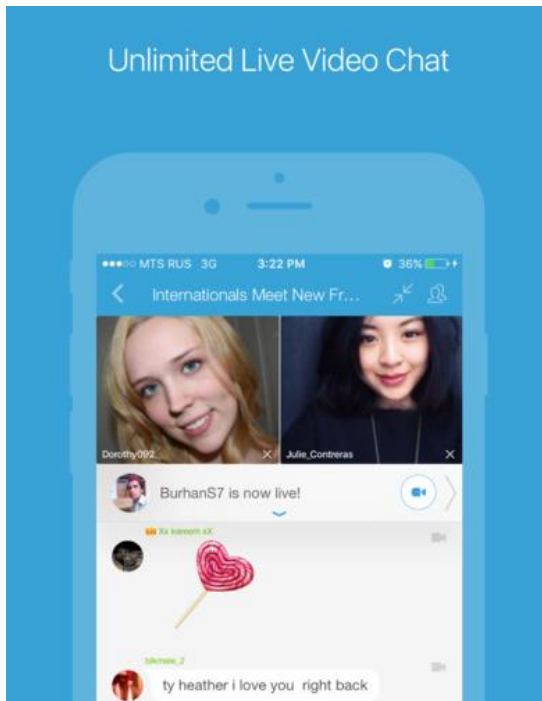
US-focused, worldwide video chat community targeting users over 35



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



US-focused video chat community targeting users 18-35

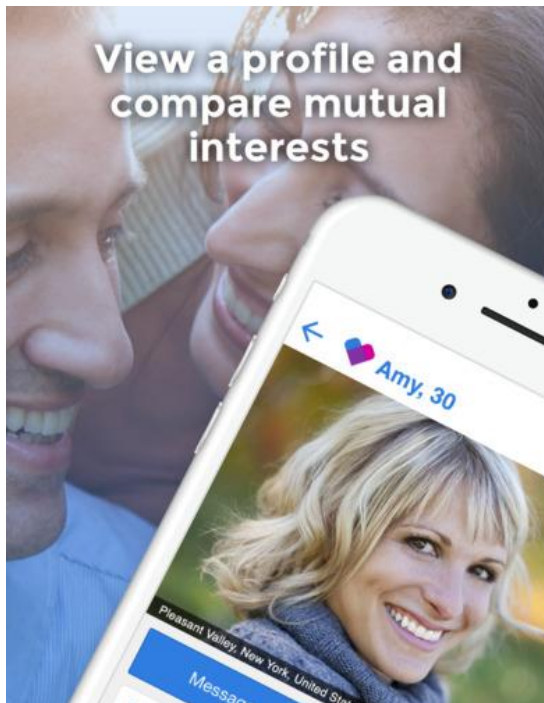


# Established Product Portfolio – Interactive Dating

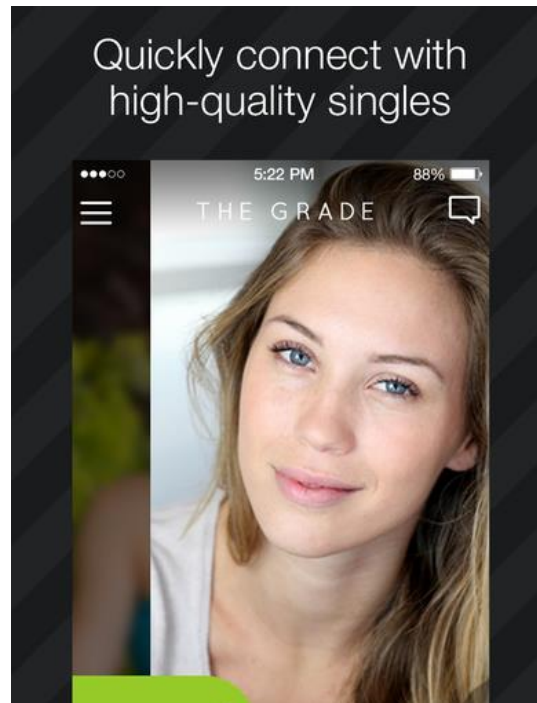
SNAP operates a prominent portfolio of interactive dating applications



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 offers engaging experience for new and non-paying users
- Premium features expand access and unlock status with paid subscriptions



## Virtual Gifts and Microtransactions

- Virtual gifts allow users to stand out and build relationships on the platform
- Microtransactions permit one-time access to premium features and foster spontaneous, repeated purchases
- Premium licensed content drives greater engagement and monetization



## Advertising Revenue

- Revenue driven by ad networks and direct-to-advertiser relationships
- Enterprise-wide opportunity for global brands to reach millions of users



# Live Video: Where the Market is Today

Live video is driving massive change across consumer Internet businesses



According to a 2016 report from Cisco, by 2019 online video will be responsible for 80% of global Internet traffic

100mm Internet users watch online video everyday, per a 2016 study by Livestream.com

## Mark Zuckerberg:

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

## FB Newsroom:

*“We’re thrilled to launch the most requested [Facebook] Messenger feature ever – the ability to video chat in groups.”*

## Wall Street Journal:

*“Video chat app Houseparty racks up VC interest. Ultimately, Sequoia Capital won... and it has led a [\$50MM] round of funding.”*

# Live Streaming: Where the Market is Heading

Snap is well situated to capitalize on this market opportunity

- Live Streaming is a rapidly emerging form of video entertainment
  - Users become broadcasters, develop a fan base and accept virtual gifts
  - Broadcasters receive a revenue share of gift proceeds
  - \$5B market in China (2016 Cisco report), rapidly growing elsewhere
  
- Dating companies in Asia are leaders in Live Streaming
  - Large user databases with similarities in user interactions
  - Both powered by virtual gift economy
  
- Successful and promising examples abound:
  - MOMO: Q4 2017 revenue up 6x, live video now 79% of revenue, up from 2.5%
  - Paktor acquired controlling stake in livestreaming platform 17 Media

# 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
  - Millions of users broadcasting or consuming live video streams daily
  - Supported by a portfolio of 25 issued patents
  - Tech talent centers in two US locations, plus Russia and India
- ✓ Prominent portfolio of live video communities and interactive dating applications with 50 thousand new users added per day<sup>1</sup>
- ✓ Large active subscriber count of 183,400<sup>1</sup> in over 180 countries
- ✓ Multiple streams of monetization, including virtual goods economy
- ✓ Attractive balance sheet with no debt

<sup>1</sup> Active subscriber base as of 3/12/17. Average daily new users based on March 2017.

# 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 reach of existing products to embrace Live Streaming opportunities
- 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 has leveraged high level of fragmentation in video and dating industries
- Public vehicle gives us a currency and 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, served most recently as CEO & interim CFO
- CEO of MeetMoi, a pioneer of interactive dating on mobile platforms (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

- 25 active patents related to video conferencing & video game technology
- Defense of issued patents has yielded tens of millions of dollars of licensing income in the past
- 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)



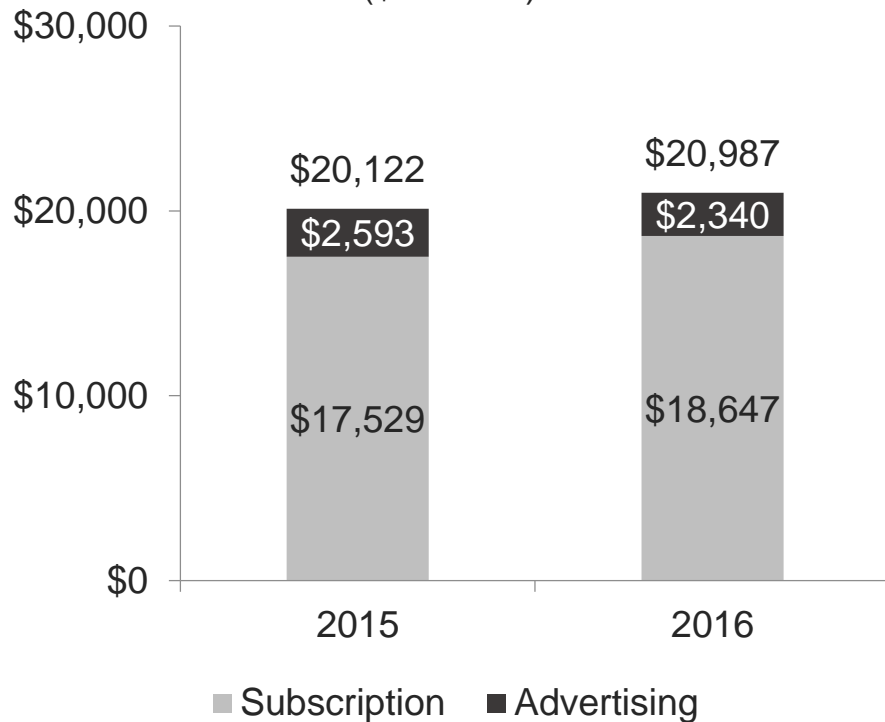
# Financial Highlights

- ✓ Resumed revenue growth in 2016
- ✓ 2016 \$1.1MM of Adjusted EBITDA, after adding back one time merger-related expenses
- ✓ Solid, debt-free balance sheet
  - Cash bank balances increased in Q1 2017, indicating a return to GAAP positive cash flow
- ✓ Completed a 1-for-35 reverse split, as a step towards listing on a national exchange
- ✓ CFO hired, rounding out executive team
- ✓ Merger cost reductions underway

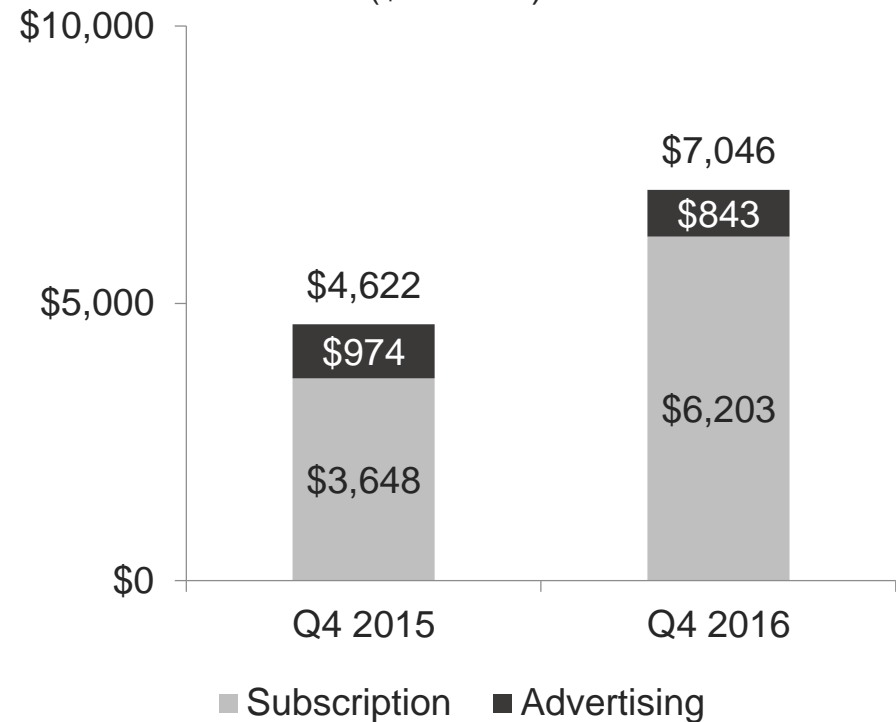
# Revenues

- FY 2016 revenues increased 4.3% YoY, as compared to 2015
- Q4 2016 revenue increased 51.5% YoY, as compared to pre-merger Snap

YE Revenues  
(\$ in 000s)



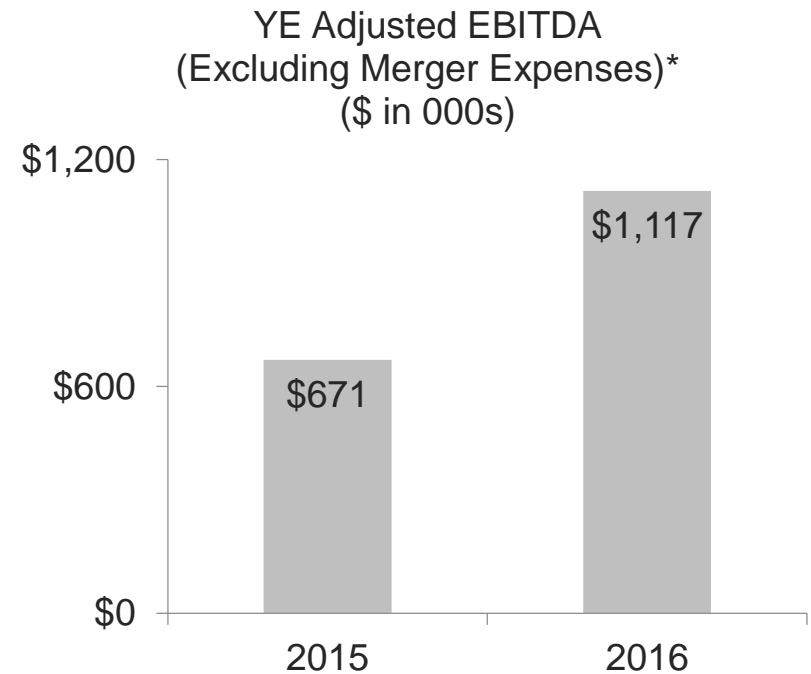
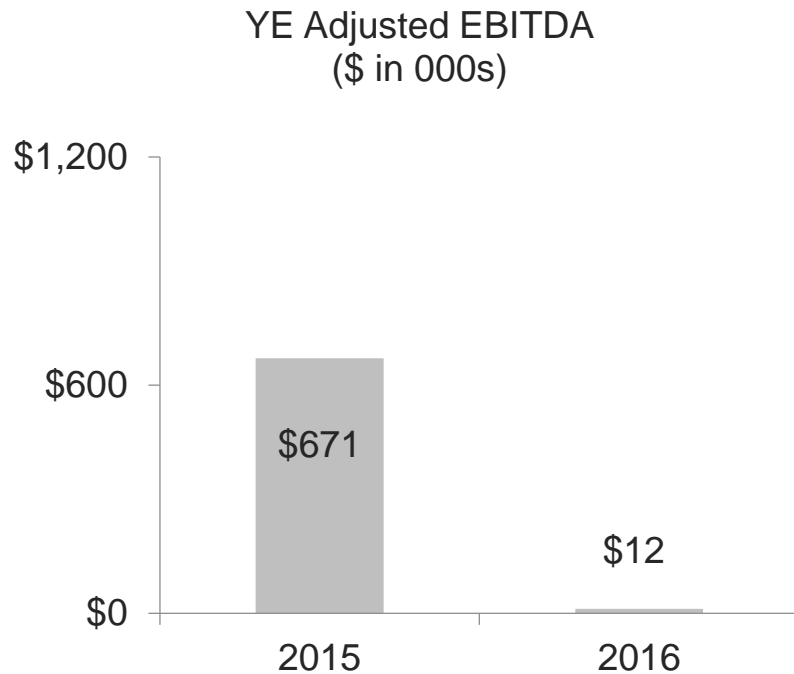
Quarterly Revenues  
(\$ in 000s)





# Adjusted EBITDA

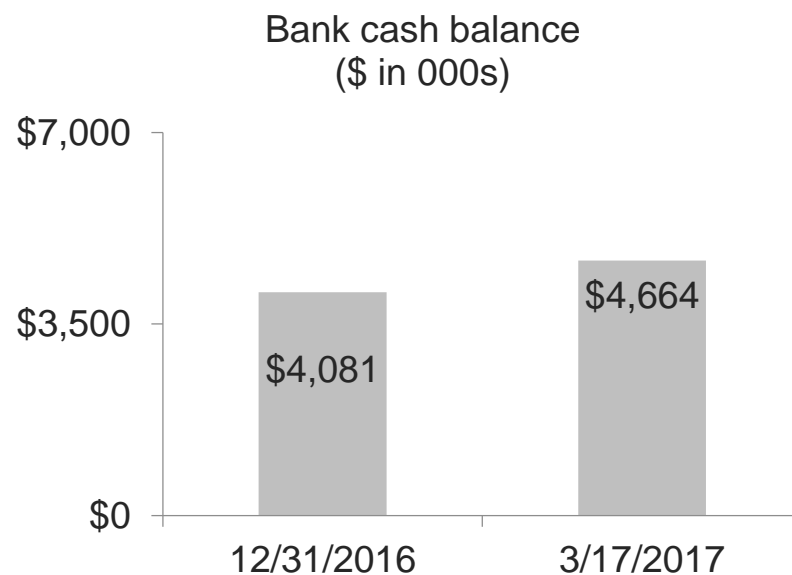
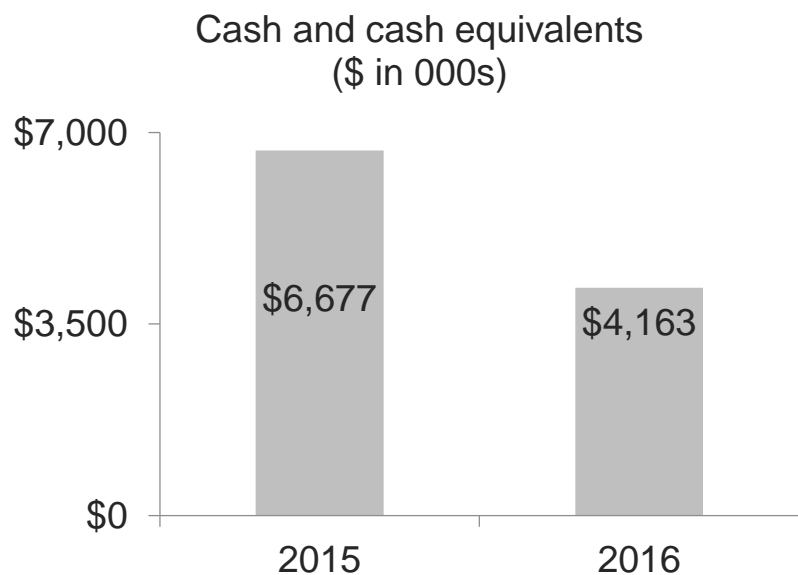
- Adjusted EBITDA for 2016 was higher, when taking into consideration non-recurring merger-related expenses in 2016
- Excluding non-recurring merger expenses in 2016, Adjusted EBITDA as a percent of revenues increased to 5.2% in 2016 from 3.3% in 2015



\*Excludes non-recurring merger related expenses for 2016 of \$1.1 million

# Balance Sheet Highlights

- 2016 cash decreased by approximately \$2.5MM, as compared to 2015 balances driven largely by the merger
  - Repayment of \$3MM convertible note, extinguishing all debt
  - \$1.1MM in one-time merger related expenses
- Bank balances as of March 17, 2017 reflect a cash increase of approximately \$583 thousand; management expects positive cash flow to resume



# 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	Market Cap	Enterprise Value	2016 Sales	2016 ADJ. EBITDA	EV/ Sales	EV/ ADJ. EBITDA <sup>1</sup>
Snap Interactive	STVI	\$3.35	\$22M	\$17M	\$21M	\$1M	0.8x	15.7x
The Meet Group	MEET	\$6.02	\$403M	\$381M	\$76M	\$26M	5.0x	14.8x
The Match Group	MTCH	\$18.71	\$4.8B	\$5.7B	\$1.2B	\$354M	4.7x	16.2x
MOMO	MOMO	\$37.43	\$6.7B	\$6.0B	\$553M	\$153M	11.0x	39.8x
Spark Networks	LOV	\$1.06	\$34M	\$23M	\$35M	(\$2M)	0.6x	N/A

*Valuation metrics and data as of 4/26/17*

*1. SNAP adjusted EBITDA excludes non-recurring merger related expenses*

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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, gain (loss) on change in fair value of derivative liabilities, loss on disposal of fixed assets and stock-based compensation expense. Adjusted EBITDA excluding Merger costs is defined as Adjusted EBITDA excluding non-recurring expenses incurred in connection with our Merger with A.V.M. Software, Inc. 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 and Adjusted EBITDA excluding Merger costs as financial measures 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; (iii) consider the potentially dilutive impact of stock-based compensation; (iv) reflect interest expense or interest payments on our outstanding indebtedness; or (v) reflect the change in fair value of warrants; 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 year ended December 31, 2016 and 2015:

	Year Ended	
	12/31/16	12/31/15
Reconciliation of Net Income (Loss) to Adjusted EBITDA:		
Net loss	\$ (1,452,776)	\$ (265,926)
Interest expense (income), net	60,030	-
Other expense (income), net	(351,102)	(33,145)
Income tax expense (benefit)	-	(171,584)
Depreciation and amortization expense	1,402,533	935,500
Stock compensation expense	353,120	206,571
<b>Reported Adjusted EBITDA</b>	<b>\$ 11,805</b>	<b>\$ 671,416</b>
Non-recurring merger costs	1,105,000	
<b>Adjusted EBITDA excluding merger costs</b>	<b>\$ 1,116,805</b>	