

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

Coordination Proceeding
Special Title Rule (3.550)

SNAP INC. SECURITIES CASES

This Document Relates To:

ALL ACTIONS.

Case No. JCCP 4960

NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION

Judge: Honorable Elihu M. Berle
Dept: 6

Coordinated Actions:

Hsieh, et al. v. Snap Inc., et al., No. BC669394,
CA Super. Ct., Cty. of Los Angeles

Iuso v. Snap Inc., et al., No. 17CIV03710,
CA Super. Ct., Cty. of San Mateo

TO: ALL PERSONS OR ENTITIES (“PERSONS”) THAT PURCHASED OR OTHERWISE ACQUIRED SNAP INC. (“SNAP” OR THE “COMPANY”) COMMON STOCK BETWEEN MARCH 2, 2017 AND JULY 29, 2017, INCLUSIVE, AND WERE DAMAGED THEREBY.¹

EXCLUDED FROM THE SETTLEMENT CLASS ARE DEFENDANTS, MEMBERS OF FAMILIES OF DEFENDANTS AND THEIR LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS AND ASSIGNS, AND ANY ENTITY IN WHICH DEFENDANTS HAVE OR HAD A CONTROLLING INTEREST.²

PLEASE READ THIS NOTICE CAREFULLY. IT IS DIFFERENT THAN THE NOTICE IN THE FEDERAL ACTION, CAPTIONED *IN RE SNAP INC. SECURITIES LITIGATION*, NO. 2:17-CV-03679-SVW-AGR (C.D. CAL.), IN CONNECTION WITH A SEPARATE SETTLEMENT. YOU MAY BE ELIGIBLE TO PARTICIPATE IN BOTH SETTLEMENTS. YOUR RIGHTS MAY BE AFFECTED BY LEGAL PROCEEDINGS IN THIS LITIGATION. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS DESCRIBED HEREIN, YOU MAY BE ENTITLED TO RECEIVE A PAYMENT PURSUANT TO THE PROPOSED SETTLEMENT OF THIS STATE COURT ACTION DESCRIBED BELOW. TO CLAIM YOUR SHARE OF THE SETTLEMENT FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) POSTMARKED ON OR BEFORE JANUARY 25, 2021. YOU NEED ONLY SUBMIT ONE PROOF OF CLAIM FORM TO PARTICIPATE IN THE SETTLEMENTS OF BOTH THIS STATE COURT ACTION AND THE FEDERAL ACTION.

THIS NOTICE WAS AUTHORIZED BY THE COURT IDENTIFIED BELOW. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

THE SETTLEMENT DESCRIBED IN THIS NOTICE WILL NOT BECOME EFFECTIVE UNTIL THE FEDERAL SETTLEMENT ALSO HAS RECEIVED FINAL APPROVAL FROM THE FEDERAL COURT, AND BOTH SETTLEMENTS HAVE BECOME FINAL.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the Superior Court of the State of California, County of Los Angeles (the “Court”). This Notice serves to inform you of the proposed settlement of a class action lawsuit (the “Settlement”) and the hearing (the “Final Approval

¹ Included within the Settlement Class are all Persons and entities who purchased shares of Snap common stock pursuant or traceable to Snap’s Initial Public Offering (“IPO”) on or about March 2, 2017 and/or on the open market.

² “Controlling interest” is defined as having a majority ownership interest or ownership of the majority of voting stock of the entity.

Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Amended Stipulation of Settlement dated October 13, 2020 (the “Stipulation”).³ The Stipulation is by and between: (i) Plaintiffs Joseph Iuso, Chenghsin D. Hsieh and Wei C. Hsieh, on behalf of themselves and each member of the Settlement Class (“Plaintiffs”); and (ii) Defendants Snap Inc. (“Snap” or the “Company”), Evan Spiegel, Robert Murphy, Andrew Vollero, Imran Khan, Joanna Coles, A.G. Lafley, Mitchell Lasky, Michael Lynton, Stanley Meresman, Scott D. Miller, and Christopher Young (collectively, the “Snap Defendants”), Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Deutsche Bank Securities Inc., Barclays Capital Inc., Credit Suisse Securities (USA) LLC, and Allen & Company LLC (the “Underwriter Defendants”) (collectively, with the Snap Defendants, the “Defendants”), by and through their respective counsel of record in the case (the “Action”). Upon and subject to the terms and conditions hereof, Plaintiffs on behalf of themselves and the Settlement Class on the one hand, and each of the Defendants, on the other hand (collectively, “Parties”), intend this Settlement to be a final and complete resolution of all disputes between the Parties with respect to the Action. This Notice is not an expression of any opinion by the Court as to the merits of the claims or defenses asserted in the lawsuit.

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of a cash settlement fund of \$32,812,500 (the “Settlement Amount”). The Settlement Amount, plus accrued interest (the “Settlement Fund”) and minus the costs of notice and all costs associated with the administration of the Settlement, as well as attorneys’ fees and expenses, as approved by the Court (the “Net Settlement Fund”), will be distributed to Settlement Class Members pursuant to the Plan of Allocation that is described below.

Pursuant to the Plan of Allocation (*see* below), if all affected Snap damaged shares for the claims in the Action elect to participate in the Settlement, the average recovery per share could be

³ The Stipulation and all of its Exhibits can be viewed at www.SnapSecuritiesLitigation.com. All capitalized terms used herein have the same meanings as the terms defined in the Stipulation.

\$0.51, before deduction of any fees, expenses, costs, and awards described herein. A Settlement Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by that claimant’s recognized claim as compared to the total recognized claims submitted. An individual Settlement Class Member may receive more or less than this average amount depending on the number of claims submitted, when a Settlement Class Member purchased or acquired Snap common stock, the purchase price paid, and whether those shares were held at the end of the Settlement Class Period or sold during the Settlement Class Period, and, if sold, when they were sold and the amount received. See Plan of Allocation below for more information on your recognized claim.

Please note: the Federal Action, *In re Snap Inc. Securities Litigation*, No. 2:17-cv-03679-SVW-AGR (C.D. Cal.), is being settled concurrently with this Action for a separate payment of \$154,687,500 in cash (the “Federal Settlement”). Members of the Settlement Class here may also be eligible to receive proceeds from the Federal Settlement, and if eligible, will receive proceeds from the settlement of both the Action and the Federal Action by submitting a single, identical claim form that is being used in both actions. Information regarding the Federal Settlement can be found at www.SnapSecuritiesLitigation.com. ***The Settlement described in this Notice will not become effective until the Federal Settlement also has received final approval from the Federal Court, and both settlements have become Final.***

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM POSTMARKED OR SUBMITTED ONLINE BY JANUARY 25, 2021	This is the only way to be eligible to get a payment from the Settlement. If you wish to participate in the Settlement, you will need to complete and submit the enclosed Proof of Claim. Settlement Class Members who do not complete and submit the Proof of Claim in accordance with the instructions on the Proof of Claim and do not submit it within the time required will be bound by the Settlement but will not participate in any distribution of the Net Settlement Fund.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY MAILING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS POSTMARKED NO LATER THAN JANUARY 25, 2021	You will not be bound by the results of this lawsuit, and you will not receive any payment. This is the only option that allows you to ever be part of any other lawsuit against the Released Defendants’ Parties about the legal claims related to the issues raised in this Action.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
OBJECT TO THE SETTLEMENT BY MAILING A WRITTEN OBJECTION SO THAT IT IS POSTMARKED NO LATER THAN JANUARY 25, 2021	If you believe the Settlement is objectionable in any respect, you may mail your objection to the Claims Administrator explaining why you oppose the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and expenses. You will still be a member of the Settlement Class.
ATTEND THE FINAL APPROVAL HEARING ON FEBRUARY 25, 2021, AT 9:00 A.M., AND MAIL A NOTICE OF INTENTION TO APPEAR SO THAT IT IS POSTMARKED NO LATER THAN JANUARY 25, 2021	The hearing on whether to approve the Settlement is scheduled for February 25, 2021, at 9:00 a.m. (the "Final Approval Hearing") and is open to the public. You do not need to attend the hearing unless you wish to speak either in support of the Settlement or in support of any objection you may have submitted, and have mailed a Notice of Intention to Appear so that it is postmarked no later than January 25, 2021. The Court may postpone the Final Approval Hearing without prior notice or decide to hold the hearing by telephone or videoconference.
DO NOTHING	If you are a Settlement Class Member and do not submit a Proof of Claim postmarked or submitted online by January 25, 2021, you will not be eligible to receive any payment from the Settlement Fund. You will, however, be bound by the Settlement, unless you have requested exclusion from the Settlement Class.

POTENTIAL OUTCOME OF THE CASE

Continuing the case could result in a loss at the pleadings stage, class certification, summary judgment, trial or on appeal. The two sides vigorously disagree on both liability and the amount of money that could be won if Plaintiffs were to prevail at trial. Plaintiffs and Defendants disagree, among other things, about: (1) the method for determining whether Snap's stock price was artificially inflated; (2) the amount of any such alleged inflation; (3) whether any statement was false or misleading; (4) whether any alleged omitted fact was material; (5) whether there was any wrongdoing on the part of Defendants; (6) the amount of damages per share, if any, Plaintiffs would be able to prove at trial; (7) the methodology used to determine any such damages; (8) whether there were any mitigating circumstances which would reduce any or all of the damages alleged by Plaintiffs; (9) what class of purchasers would be able to establish standing to recover under the Action; and (10) whether the Action could at all proceed in this Court or should be dismissed.

REASONS FOR SETTLEMENT

The Court has not reached any decisions in connection with Plaintiffs' claims against Defendants. Instead, Plaintiffs and Defendants have agreed to this Settlement, which was reached with the substantial assistance of the Hon. Layn R. Phillips (Ret.), a highly experienced mediator of complex class actions. In reaching the Settlement, the Parties have avoided the cost, delay and uncertainty of further litigation.

As in any litigation, Plaintiffs and the Settlement Class would face an uncertain outcome if they did not agree to the Settlement, and would have to overcome a variety of significant defenses anticipated to be interposed by Defendants. The Parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. Continuation of the case against Defendants could result in a judgment greater than this Settlement. Conversely, continuing the case could result in no recovery at all or a recovery that is less than the amount of the Settlement.

Plaintiffs and Plaintiffs' Counsel believe that this Settlement is fair and reasonable to the members of the Settlement Class. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Settlement Class will receive a significant monetary recovery. Additionally, Plaintiffs' Counsel believe that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay and uncertainty of continued litigation, are a very good result for the Settlement Class.

ATTORNEYS' FEES AND COSTS SOUGHT

Plaintiffs' Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Final Approval Hearing. Plaintiffs' Counsel will apply for an award of attorneys' fees in the amount of one-third of the Settlement Amount, plus payment of expenses incurred in connection with the Action in an amount not to exceed \$400,000. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on

a wholly contingent basis. Plaintiffs' Counsel have committed significant time and expenses in litigating this case for the benefit of the Settlement Class. To date, Plaintiffs' Counsel have not been paid for their services in conducting the Action on behalf of the Plaintiffs and the Settlement Class, or for their expenses. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Plaintiffs' Counsel. The requested fees and expenses, if approved, would represent, on average, no more than \$0.18 per share in the aggregate. In addition, Plaintiffs' Counsel intend to apply to the Court on behalf of Plaintiffs for an award pursuant to 15 U.S.C. §77z-1(a)(4) in connection with their representation of the Settlement Class. Plaintiffs' Counsel will seek no more than \$5,000 each for Plaintiffs.

HOW DO I KNOW IF I AM A SETTLEMENT CLASS MEMBER?

The proposed Settlement affects the rights of the members of the Settlement Class. The Settlement Class consists of:

All Persons and entities who purchased or otherwise acquired Snap common stock between March 2, 2017 and July 29, 2017, inclusive, and were damaged thereby.⁴ Excluded from the Settlement Class are Defendants, members of families of Defendants and their legal representatives, heirs, successors and assigns, and any entity in which Defendants have or had a controlling interest.⁵ Also excluded from the Settlement Class is any Person who validly requests exclusion pursuant to the requirements set forth in the Notice.

The sending of this Notice should not be construed as any indication of the Court's view as to the merits of any claims or defenses asserted by any party to this Action.

THE LITIGATION

Summary of the Litigation

Currently pending before the Superior Court of the State of California, County of Los Angeles (the "Court") are two coordinated class actions alleging securities law violations: (1)

⁴ Included within the Settlement Class are all Persons and entities who purchased shares of Snap common stock pursuant or traceable to Snap's IPO on or about March 2, 2017 and/or on the open market.

⁵ "Controlling interest" shall be defined as having a majority ownership interest or ownership of the majority of voting stock of the entity.

Hsieh v. Snap Inc., No. BC669394 (Cal. Super. Ct., Cty. of Los Angeles) (“*Hsieh* Action”); and (2) *Iuso v. Snap Inc.*, No. 17CIV03710 (Cal. Super. Ct., Cty. of San Mateo) (“*Iuso* Action”).

Plaintiffs Chenghsin D. Hsieh and Wei C. Hsieh commenced the *Hsieh* Action on July 25, 2017 in the Los Angeles Superior Court alleging violations of the Securities Act of 1933 (the “1933 Act” or “Securities Act”) for claims under §§11, 12(a)(2) and 15 against the Defendants. The complaint in the *Hsieh* Action claims that Snap’s Registration Statement and Prospectus were false because they allegedly failed to disclose the following material information relating to Snap’s financial condition: (1) Snap was experiencing slow growth in its Daily Active User rate and was being adversely affected by Instagram; (2) a purported whistleblower complaint, filed by former employee Anthony Pompliano, raised questions regarding false growth metrics used by Snap executives; and (3) Snap faced substantial liability in connection with a potential patent-infringement action by iFrame Canada Ltd. and its successors. Plaintiffs claim that when the purportedly concealed information came to light between May and July 2017, Snap’s stock price declined to nearly \$14.00 per share.

On July 27, 2017, Defendants removed the *Hsieh* Action to the Federal Court. On August 29, 2017, the Federal Court *sua sponte* remanded the *Hsieh* Action for lack of jurisdiction.

On November 15, 2017, pursuant to the parties’ stipulation, the Court stayed the *Hsieh* Action pending the U.S. Supreme Court’s issuance of a decision in *Cyan, Inc. v. Beaver County Employees Retirement Fund*, No. 15-1439 (U.S.). On March 20, 2018, the U.S. Supreme Court issued a decision in *Cyan*, holding that state courts have subject matter jurisdiction over class actions under the Securities Act.

Following the issuance of the *Cyan* decision, Defendants moved to stay the *Hsieh* Action in favor of a similar but distinct action in Federal Court⁶ or, in the alternative, to dismiss due to inconvenient forum based on Snap’s forum-selection clause. The plaintiffs in the *Hsieh* Action

⁶ The Federal Action, *In re Snap Inc. Securities Litigation*, No. 2:17-cv-03679-SVW-AGR (C.D. Cal.), filed May 16, 2017, is being settled concurrently with this Action. That settlement is set forth in a separate notice that can be viewed at www.SnapSecuritiesLitigation.com.

opposed the motion. By order dated August 16, 2018, the Court stayed the coordinated *Hsieh* Action pending the resolution of the Federal Action.

On August 14, 2017, Joseph Iuso commenced the *Iuso* Action in San Mateo Superior Court. The *Iuso* Action was brought as a class action on behalf of all persons who purchased Snap common stock pursuant or traceable to the IPO and alleged only violations of §11 of the Securities Act. Moreover, unlike the *Hsieh* Action, the complaint in the *Iuso* Action focused solely on the Registration Statement's purported misstatement of the stock-based compensation to be incurred by Snap following the IPO.

On August 17, 2017, Defendants removed the *Iuso* Action to the United States District Court for the Northern District of California. On August 24, 2017, Iuso moved to remand. On August 25, 2017, Defendants moved to transfer the *Iuso* Action to the United States District Court for the Central District of California. Iuso did not oppose transfer and on September 27, 2017, the *Iuso* Action was transferred to the Central District of California. On November 21, 2017, the Federal Court granted Iuso's motion to remand the *Iuso* Action to San Mateo Superior Court.

On December 19, 2017, Defendants petitioned the Judicial Council of California to coordinate the *Hsieh* Action with the *Iuso* Action. On February 22, 2018, the Judicial Council granted the petition and ordered that both cases be coordinated in the Los Angeles Superior Court. The coordinated proceeding was assigned to this Court under the caption *Snap Inc. Securities Cases*, JCCP No. 4960 (the "JCCP Proceeding").

On June 1, 2018, pursuant to the parties' stipulation, the Court stayed the JCCP Proceeding pending litigation in the Delaware Court of Chancery, captioned *Sciabacucchi v. Salzberg*, No. 2017-0931, relating to the validity of mandatory forum-selection clauses in the Company's certificate of incorporation with regard to Securities Act claims.

On December 19, 2018, the Delaware Court of Chancery issued its decision in *Sciabacucchi*, finding forum-selection clauses in certificates of incorporation to be invalid and contrary to the federal regime to the extent they sought to regulate Securities Act claims. *See Sciabacucchi v. Salzberg*, No. 2017-0931-JTL, 2018 Del. Ch. LEXIS 578, at *2-*4, *15 (Del. Ch. Dec. 19, 2018).

The Court of Chancery's ruling was subsequently reversed by the Delaware Supreme Court. *Salzberg v. Sciabacucchi*, No. 346 2019, 2020 Del. LEXIS 100, at *1 (Mar. 18, 2020).

By order dated January 17, 2019, the Court vacated the stay in the JCCP Proceeding. On February 19, 2019, Defendants filed a motion to stay the JCCP Proceeding in favor of the Federal Action. Defendants also filed a demurrer to the complaint in the coordinated *Iuso* Action, seeking to dismiss the lawsuit. On February 25, 2019, instead of opposing the demurrer on the merits, the plaintiff in the coordinated *Iuso* Action filed an amended complaint. On April 10, 2019, the Court ordered the *Iuso* Action and JCCP Proceeding stayed until the next status conference set for July 29, 2019, and it extended the stay at subsequent status conferences.

In September 2019, the parties in both this Action and in the Federal Action began mediation-related discussions and ultimately selected the Hon. Layn R. Phillips (Ret.) as the mediator. On September 13, 2019, the parties submitted confidential mediation statements concerning the legal and factual issues in the two actions.

On October 15, 2019, the parties participated in a full-day formal mediation conducted by the Hon. Layn R. Phillips. Following the mediation session and additional negotiations amongst all parties, the mediator advised the parties on January 17, 2020, that all parties had accepted a mediator's proposal. The parties then entered into a Term Sheet on January 24, 2020.

The Parties continued to negotiate the detailed terms of the Settlement of this Action, and these negotiations resulted in the agreement to settle all claims of the Settlement Class against the Defendants, *i.e.*, the Stipulation entered into on October 13, 2020. Plaintiffs' Counsel believe that the claims asserted in the Action have merit and that the evidence developed to date in the Action supports the claims asserted therein. However, Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings, trial, and appeals, and have taken into account the uncertain outcome and the risk of any litigation, especially complex actions such as this. Plaintiffs' Counsel are also mindful of the inherent problems of proof under, as well as the defenses to, the federal securities law violations asserted in the Action, including the defenses asserted by Defendants.

Plaintiffs' Counsel believe that the Settlement set forth in the Stipulation confers a meaningful benefit upon the Settlement Class. Plaintiffs' Counsel have determined that the Settlement is in the best interests of the Settlement Class.

The Release

Unless you exclude yourself, you will remain a member of the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same issues in the Action or about issues that could have been asserted in the Action. It also means that all of the Court's orders will apply to you and legally bind you and you will release your Plaintiffs' Released Claims in this case against Defendants and the other Released Defendants' Parties. "Plaintiffs' Released Claims" means Plaintiffs' Claims, whether they are known claims or Unknown Claims (as defined below). Plaintiffs' Released Claims shall not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court. "Plaintiffs' Claims" means all claims, demands, rights, and causes of action, or liabilities of every nature and description, whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, representative, class, or individual in nature that (a) Plaintiffs or any other Settlement Class Member: (i) asserted in the Action and/or the Federal Action or (ii) could have asserted in any court or forum that arise out of or are based upon any of the allegations, transactions, facts, matters or occurrences, representations, or omissions set forth in the Action and/or the Federal Action; and (b) relate in any way to the purchase or other acquisition of Snap common stock during the Settlement Class Period.

"Released Defendants' Parties" means: (i) each Defendant and all underwriters of Snap's IPO (including those not among the Underwriter Defendants⁷); (ii) each of their respective

⁷ Those additional underwriters are BTIG, LLC, C.L. King & Associates, Inc., Citigroup Global Markets Inc., Connaught (UK) Limited, Cowen and Company, LLC, Evercore Group, LLC, Jefferies LLC, JMP Securities LLC, LionTree Advisors LLC, Luma Securities LLC, Mischler Financial Group, Inc., Oppenheimer & Co. Inc., RBC Capital Markets, LLC, Samuel A. Ramirez

immediate family members (for individuals) and each of their direct or indirect parent entities, subsidiaries, related entities, and affiliates, any trust of which any individual Defendant is the settler or which is for the benefit of any Defendant and/or member(s) of his or her family; and (iii) for any of the entities listed in parts (i) or (ii), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their capacities as such, and any entity in which a Defendant has a controlling interest.

“Unknown Claims” means any and all Plaintiffs’ Claims against the Released Defendants’ Parties which any Plaintiff or any member of the Settlement Class does not know or suspect to exist in his, her, or its favor at the time of their release of the Plaintiffs’ Claims (for the avoidance of doubt and consistent with the definition of Plaintiffs’ Claims, such claims are limited to those that (a) Plaintiffs or any other Settlement Class Member: (i) asserted in the Action or the Federal Action or (ii) could have asserted in any court or forum that arise out of or are based upon any of the allegations, transactions, facts, matters or occurrences, representations, or omissions set forth in the Action and/or the Federal Action; and (b) relate in any way to the purchase or other acquisition of Snap common stock during the Settlement Class Period), and any and all Defendants’ Claims against the Released Plaintiffs’ Parties which any Defendant does not know or suspect to exist in his, her, or its favor at the time of their release of the Defendants’ Claims, and including, without limitation, those that, if known by such Plaintiff, member of the Settlement Class or Defendant, might have affected his, her, or its decision(s) with respect to the Settlement or the releases, including his, her, or its decision(s) to object or not to object to the Settlement or to submit a Request for Exclusion. With respect to any and all Defendants’ Released Claims and Plaintiffs’ Released Claims, the Parties stipulate and agree that, upon the Effective Date, the Parties

& Co., Inc., Stifel Financial Corp., SunTrust Robinson Humphrey, Inc., The Williams Capital Group, L.P., UBS Securities LLC, and William Blair & Company, LLC.

shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived any objection to the release of such claims. Plaintiffs, any other Settlement Class Member, and Defendants may hereafter discover facts in addition to or different from those that he, she, or it now knows or believes to be true with respect to the subject matter of Plaintiffs' Claims or Defendants' Claims, but they stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs, any other Settlement Class Member, and Defendants shall expressly waive and by operation of the Judgment, or Alternative Judgment, if applicable, shall have, fully, finally, and forever settled and released, any and all Plaintiffs' Claims or Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of fiduciary duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. **The Parties acknowledge, and each of the Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.**

THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR TO THE SETTLEMENT CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THE ACTION OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY OF THE ACTION AND PROPOSED SETTLEMENT THEREOF AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

DIFFERENCES BETWEEN THIS ACTION AND THE FEDERAL ACTION

The Settlement Class in this Action, brought under the Securities Act of 1933, includes all Persons or entities who purchased or otherwise acquired Snap common stock pursuant or traceable to the Registration Statement and Prospectus (collectively, "Registration Statement") issued in connection with Snap's IPO and/or on the open market between March 2, 2017, and July 29, 2017,

inclusive. For example, Plaintiffs in this Action allege that the Registration Statement contained false and misleading statements omitting material facts regarding: (1) slow growth in Snap's Daily Active User rate, which was being adversely affected by Instagram; (2) a whistleblower complaint filed by former employee Anthony Pompliano and its allegations that Snap executives were manipulating the Company's growth metrics; and (3) substantial liability Snap faced in connection with a potential patent-infringement action by iFrame Canada Ltd. and its successors. Moreover, this Action asserts damages under the 1933 Act based on the price investors paid for Snap's stock in the IPO, \$17 per share. By contrast, the Federal Action is brought on behalf of all purchasers of Snap common stock between March 2, 2017 and August 10, 2017, inclusive, including those who purchased stock traceable to the Registration Statement. The Federal Action asserts damages under the 1933 Act based on a different theory related to the value of Snap as of the IPO, as well as damages under the Securities Exchange Act of 1934, and includes allegations of false statements outside the Registration Statement. Investors can recover the sum of different amounts as a result of the settlement of each action. *Nevertheless, while there are differences between the two actions, Settlement Class Members in this Action must only submit one claim form to recover in both cases.*

INVESTORS MUST ONLY SUBMIT ONE CLAIM FORM TO RECOVER IN BOTH THIS ACTION AND THE FEDERAL ACTION

Although there are differences between this Action and the Federal Action, including the alleged false statements, legal claims, damages theories, and recoveries, investors nonetheless may be entitled to recover from both the Settlement in this Action and the settlement in the Federal Action. *For the sake of simplicity and efficiency, there is a single, identical claim form for both this Action and the Federal Action. Settlement Class Members in this Action must only submit one claim form to recover in both cases.*

THE PROPOSED PLAN OF ALLOCATION

Your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Settlement Class Members send in and how many shares of Snap common stock you purchased or otherwise acquired during the relevant period and when you bought and sold them.

The \$32,812,500.00 Settlement Amount and any interest earned thereon shall be the Settlement Fund. The Settlement Fund less taxes, tax expenses, notice and claims administration expenses, approved attorneys' fees and expenses as well as any awards to the Plaintiffs (the "Net Settlement Fund") shall be distributed to members of the Settlement Class who submit valid Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss." The Recognized Loss formula is not intended to be an estimate of the amount of what a Settlement Class Member lost or might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is simply the basis upon which the Net Settlement Fund will be proportionately allocated to Authorized Claimants.

A claim will be calculated as follows:

For shares of Snap common stock that were purchased in or otherwise traceable to the IPO,⁸ from March 2, 2017 through July 29, 2017, and

1. sold on or before July 25, 2017, the claim per share is the purchase price per share (not to exceed the \$17.00 per share IPO price) minus the sales price per share;
2. sold from July 26, 2017 through February 7, 2018, the claim per share is the purchase price per share (not to exceed the \$17.00 per share IPO price) minus the greater of either: (i) the sales price per share, *or* (ii) \$13.89 per share (the July 25, 2017 closing price, the date the first suit was filed in State Court); or
3. retained at the end of February 7, 2018, the claim per share is \$0.00 (reflecting that the February 7, 2018 closing price of \$20.75 per share was greater than the \$17.00 per share IPO price, *i.e.*, the stock price had fully rebounded by February 7, 2018).

⁸ Whether a purchase is traceable to the IPO may be established by demonstrating that the shares were purchased between March 2, 2017 and March 7, 2017 (inclusive), or by documentation demonstrating that the specific shares purchased were issued in the IPO.

General Provisions:

1. The date of a purchase or sale of Snap common stock is the “trade” date, and not the “settlement” date.

2. Any transaction for Snap common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

3. The first-in, first-out basis (“FIFO”) will be applied to purchases, acquisitions and sales. Settlement Class Period sales or acquisitions will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases or acquisitions in chronological order, beginning with the earliest purchase or acquisition made during the Settlement Class Period. The total of all profits shall be subtracted from the total of all losses from transactions to determine if a Settlement Class Member has a recognized claim.

4. In the calculations for Recognized Loss, all purchases or acquisitions and sale prices shall exclude any fees, taxes and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero.

5. Only if a Settlement Class Member had a net market loss after all profits from transactions in Snap common stock during the Settlement Class Period are subtracted from all losses, will such Settlement Class Member be eligible to receive a distribution from the Net Settlement Fund. If the Settlement Class Member has an overall market loss, the value of the Settlement Class Member’s recognized claim shall be the *lesser* of: (a) the overall market loss; and (b) the overall Recognized Loss. Shares held as of the beginning of the Settlement Class Period will be excluded for purposes of calculating a market gain or loss.

6. No cash payment will be made on a claim where the potential distribution amount is less than \$10.00. Please be advised that if you did not incur a Recognized Loss as defined in the Plan of Allocation you will not receive a cash distribution from the Net Settlement Fund, but you will be bound by all determinations and judgments of the Court in connection with the Settlement, including being barred from asserting any of the Plaintiffs’ Released Claims against the Released Defendants’ Parties.

7. The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Settlement Class Member on equitable grounds.

8. No person shall have any claim against Plaintiffs' Counsel, the Claims Administrator or other agent designated by Plaintiffs' Counsel, or any Defendant or any Defendant's counsel based on the distribution made substantially in accordance with the Stipulation and this Plan of Allocation, or further orders of the Court.

9. Settlement Class Members who do not submit valid Proofs of Claim will not share in the settlement proceeds. Settlement Class Members who do not either submit a request for exclusion or submit a valid Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing the Actions.

10. Please contact the Claims Administrator or Plaintiffs' Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims administration process, to decide the issue by submitting a written request.

11. Defendants, their respective counsel, and all other Released Defendants' Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Plaintiffs and Plaintiffs' Counsel, likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

PROOF OF CLAIM AND RELEASE FORM

To be eligible to receive a cash distribution from the Settlement Fund, you must timely complete, sign and submit a Proof of Claim and Release Form ("Proof of Claim"). A Proof of Claim may be downloaded at www.SnapSecuritiesLitigation.com. Only one Proof of Claim is required to participate in the settlements of both this Action and the Federal Action. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail or submit it online so that it is postmarked (if mailed) or received (if filed electronically) no later than January 25, 2021. The claim form may be submitted online at

www.SnapSecuritiesLitigation.com. If you do not submit a valid Proof of Claim form with all of the required information, you will not receive a payment from the Net Settlement Fund; however, unless you expressly exclude yourself from the Settlement Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the release contained in the Stipulation.

Members of the Settlement Class who do not exclude themselves from the Settlement Class and who fail to submit a valid and timely Proof of Claim will nevertheless be bound by the Settlement if finally approved, and all orders and the judgment entered by the Court in connection therewith. The Release will become effective on the Effective Date of the Settlement.

Each person or entity submitting a Proof of Claim thereby submits to the jurisdiction of the Court for purposes of the Action, the Settlement and any proceedings relating to such Proof of Claim, and agrees that such a filed Proof of Claim will be subject to review and further inquiry as to such person's or entity's status as a member of the Settlement Class and the allowable amount of the claim.

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Action will proceed as if the Stipulation had not been entered into.

WHO REPRESENTS THE SETTLEMENT CLASS?

The law firms of Robbins Geller Rudman & Dowd LLP, Bottini & Bottini, Inc., and Block & Leviton LLP represent Plaintiffs in the Action. These lawyers are called Plaintiffs' Counsel. These lawyers will apply to the Court for payment of attorneys' fees and expenses from the Settlement Fund; you will not be otherwise charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOU MAY BE ELIGIBLE TO SHARE IN THE BENEFITS OF THIS SETTLEMENT AND WILL BE BOUND BY ITS TERMS UNLESS YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS.

If you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in the Action, then you must take steps to get out of the Settlement Class. This is called excluding yourself from, or “opting out” of, the Settlement Class. If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Settlement Class, you must send a letter by mail saying that you want to be excluded from the Settlement Class. Be sure to include your name, address, telephone number, and sign the letter. You should also include the number of shares of Snap common stock you purchased or acquired that are subject to the Action, including the number of shares of Snap common stock that you purchased/acquired and/or sold during the Settlement Class Period, as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. Your exclusion request must be *postmarked no later than January 25, 2021* and sent to the Claims Administrator at:

Snap Securities Litigation
Claims Administrator
c/o JND Legal Administration
P.O. Box 91314
Seattle, WA 98111

You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you will not receive a Settlement payment, and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS’ FEES AND EXPENSES, AND/OR THE PLAN OF ALLOCATION?

Yes. If you are a Settlement Class Member, you may object to the terms of the Settlement. Any objection, filings, and other submissions by the objecting Settlement Class Member must: (a) state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) state with specificity the grounds for the Settlement Class Member’s objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court’s

attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (c) include documents sufficient to prove membership in the Settlement Class, including the number of shares of Snap common stock that the objecting Settlement Class Member purchased/acquired and/or sold during the Settlement Class Period, as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. The objecting Settlement Class Member shall provide documentation establishing membership in the Settlement Class through copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees and expenses, and/or the Plan of Allocation. An objection may be submitted by mailing, postmarked no later than **January 25, 2021**, a written statement, accompanied by proof of Settlement Class membership to:

Snap Securities Litigation
Claims Administrator
c/o JND Legal Administration
P.O. Box 91314
Seattle, WA 98111

Attendance at the Final Approval Hearing is not necessary; however, if you wish to be heard orally at the Final Approval Hearing please indicate in your written objection your intention to appear at the hearing.

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, or Plaintiffs' Counsel's request for an award of attorneys' fees and expenses. You can object *only* if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer applies to you.

THE FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing on February 25, 2021, at 9:00 a.m., before the Honorable Elihu M. Berle either telephonically or in person at the Superior Court of the State

of California, County of Los Angeles, 312 North Spring Street, Los Angeles, CA 90012, for the purpose of determining whether: (1) the Settlement of the Action for \$32,812,500.00 in cash should be approved by the Court as fair, reasonable and adequate; (2) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund; and (3) the Plan of Allocation should be approved by the Court. The Court may adjourn or continue the Final Approval Hearing without further notice to members of the Settlement Class. You should check the Settlement website, www.SnapSecuritiesLitigation.com, for further details on the Final Approval Hearing.

Any Settlement Class Member may appear at the Final Approval Hearing and be heard on any of the foregoing matters. Any written objection should be mailed to:

Snap Securities Litigation
Claims Administrator
c/o JND Legal Administration
P.O. Box 91314
Seattle, WA 98111,

together with proof of membership in the Settlement Class, so that it is postmarked ***no later than January 25, 2021.***

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in the Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the Superior Court of the State of California, County of Los Angeles, 111 North Hill Street, Los Angeles, CA 90012. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim form and proposed Judgment may be obtained online at www.SnapSecuritiesLitigation.com or by contacting the Claims Administrator at:

Snap Securities Litigation
Claims Administrator
c/o JND Legal Administration
P.O. Box 91314
Seattle, WA 98111
1-855-958-0630
info@SnapSecuritiesLitigation.com
www.SnapSecuritiesLitigation.com

In addition, you may contact Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, if you have any questions about the Action or the Settlement.

DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION

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SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

If you hold any Snap common stock purchased or otherwise acquired between March 2, 2017 and July 29, 2017, inclusive, as a nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of the Postcard Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Snap Securities Litigation
Claims Administrator
c/o JND Legal Administration
P.O. Box 91314
Seattle, WA 98111
1-855-958-0630
info@SnapSecuritiesLitigation.com
www.SnapSecuritiesLitigation.com

If you choose to mail the Postcard Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many copies of the Postcard Notice as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Postcard Notice and which would not have been incurred but for the obligation to forward the Postcard Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: November 13, 2020

BY ORDER OF THE SUPERIOR COURT OF
CALIFORNIA, COUNTY OF LOS ANGELES
HONORABLE ELIHU M. BERLE