



Snap Interactive, Inc. (OTCQB: STVI)
Pro Forma Financial Highlights & Strategy Update
December 19, 2016



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. Portions of this presentation summarize certain financial information related to the recently closed merger among Snap Interactive, Inc. (“SNAP,” “Snap Interactive,” or the “Company”), A.V.M. Software, Inc. (d/b/a Paltalk) and SNAP’s wholly owned subsidiary, SAVM Acquisition Corporation. Readers are directed to SNAP’s Form 8-K/A, filed with the Securities and Exchange Commission on December 19, 2016, for a complete copy of this financial information.

Certain statements in this presentation constitute “forward-looking statements” relating to SNAP 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.



Agenda

✓ **Opening Remarks**

✓ **Business Profile**

✓ **Business Opportunity**

✓ **Financial Highlights**

✓ **Q&A**

OPENING REMARKS

Snapshot of Snap Today

- Closed merger with Paltalk October 7, 2016
 - Paltalk's historical financial statements and the pro forma financial statements of the combined company are included in SNAP's form 8-K/A filed on December 19, 2016.
- Approximately \$32.1 million of pro forma 2015 revenue
- Pro forma cash of \$5.3 million at September 30, 2016
- Broad product portfolio powering live video chat and dating on desktop and mobile
- Multiple growth directions with existing and new products
- Intellectual property portfolio of 25 issued patents



BUSINESS PROFILE

Corporate Aspects of the Snap/Paltalk Merger

- Snap acquired Paltalk in a stock-for-stock transaction
- Snap's original shareholders retain approximately 22.1% ownership of combined entity⁽¹⁾
- Immediately following the merger, all outstanding debt of Snap was paid off
- Board of Directors merged
 - Cliff Lerner and Alex Harrington from Snap joined a newly constituted seven person Board
 - Jason Katz, founder, Chairman and CEO of Paltalk is Chairman of the combined company's Board

Note:

(1) Includes 9.25 million shares of unvested restricted stock in the total number of shares of common stock outstanding



Overview: Snap & Paltalk

		
Business Description	<p>Operates FirstMet, available on desktop and mobile. Our seniors dating product is expected to be available in early 2017.</p>	<p>Operates live video chat communities on desktop and mobile that facilitate virtual face-to-face interactions between individuals and groups.</p>
Key Products		 
2015 Revenue	\$12.0 Million	\$20.1 Million
User Database	> 30 Million	> 225 Million



Entrepreneurial Executive Team

Role	Name	Background
Chief Executive Officer	Alex Harrington	CEO of pre-merger SNAP
Chairman, President, COO	Jason Katz	Founder & CEO of Paltalk
Chief Product Innovation Officer	Cliff Lerner	Co-Founder, Chairman of pre-merger SNAP
Chief Technical Officer	Eric Sackowitz	CTO of pre-merger Paltalk
Chief Product Officer	Arash Vakil	CPO of pre-merger Paltalk
Chief Financial Officer	Judy Krandel	Small-Cap Portfolio Manager, pre-merger Snap board member



BUSINESS OPPORTUNITY

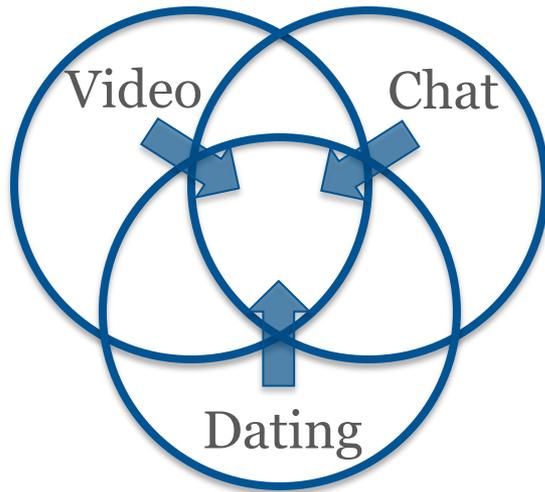
Company Three-Year Mission

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

Snap currently has an existing mature business and new products with growth opportunities aligned with this mission

Existing Business

Advance business in new directions through shared resources



Synergistic Integration of Respective Strengths

- Integrate video to dating platform(s)
- Add dating features to chat rooms

Sharing of Best Practices

Revenue Upside

- Cross-selling opportunities
- Share vendors and optimization practices

Synergies

- Cost Savings
- Economies of Scale
- Improved User Experience

New Products and Growth Opportunities

Four-pronged strategy to create value from existing platform

	Opportunity	Results
Innovation	<ul style="list-style-type: none">• New Products• Seed Startups	Upcoming Seniors Dating Product
Business Development	<ul style="list-style-type: none">• Joint Ventures,• B2B Platform	Swyft Media
Mergers and Acquisitions	<ul style="list-style-type: none">• Consolidating Industry• Large Fragmented Market	Camfrog
Intellectual Property	<ul style="list-style-type: none">• License Patent Portfolio• Defend Market Position	Licensing income from parties such as Microsoft

Capital Markets Strategy

- Filled CFO position in Q4 2016
- Taking steps to pave the way to an uplist to a national securities exchange
- Reverse stock split expected to be effective January 5, 2017
- Sufficient capital to support business operations

FINANCIAL HIGHLIGHTS

P&L Highlights (in 1000s)

- Merger brings scale of revenue and Adjusted EBITDA profitability to 2016 pro forma results

	<u>Year Ended 2015</u>	<u>Nine Months Ended Sept 30, 2016</u>
<u>Pro Forma Combined</u>		
Revenues	\$ 32,143	\$ 21,748
Net Loss	\$ (5,275)	\$ (868)
Adjusted EBITDA*	\$ (649)	\$ 33
<u>Pre-Merger SNAP Actuals</u>		
Revenues	\$ 12,021	\$ 7,807
Net Loss	\$ (1,298)	\$ (2,293)
Adjusted EBITDA*	\$ (66)	\$ (622)

*See appendix for reconciliation.



Balance Sheet Highlights

- The merger presents a significantly improved pro forma balance sheet with cash, no long term debt and positive shareholders' equity

	<u>As of Sept 30, 2016</u>	
	Pro Forma Combined	Pre-Merger Snap Actuals
Cash and cash equivalents	\$ 5.3	\$ 1.5
Other current assets	2.1	0.5
Long term assets	22.7	0.7
Total assets	30.1	2.7
Deferred subscription revenue	3.0	1.3
Other current liabilities (other than debt)	3.8	1.8
Debt	-	2.7
Other long term liabilities	1.8	0.1
Total liabilities	8.6	5.9
Stockholders' equity / (deficit)	21.5	(3.2)
Total liabilities and stockholders' equity	\$ 30.1	\$ 2.7

Conclusion: Summary of Merger Effects on Financial Outlook

- Stronger, debt-free balance sheet
- Revenue scale and synergies
- Diversification of revenue base
- New product growth avenues
- Stronger management team
- M&A opportunities in a consolidating industry

Q&A

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. 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 uses this non-GAAP financial measure 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; (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 the pro forma and pre merger SNAP actuals Adjusted EBITDA for the year ended December 31, 2015 and nine months ended September 30, 2016 (in 1000s):

	Pro Forma		Pre Merger SNAP Actuals	
	Year Ended Dec 31, 2015	Nine Months Ended 'Sept 30, 2016	Year Ended Dec 31, 2015	Nine Months Ended 'Sept 30, 2016
Adjusted EBITDA reconciliation				
Net loss	\$ (5,274)	\$ (868)	\$ (1,298)	\$ (2,293)
Depreciation and amortization	2,068	1,710	167	107
Stock compensation expense	207	118	1,086	434
Income tax benefit	(172)	(579)	-	-
Change in fair value of derivative liabilities and gain on extinguishment of warrant liability, net	-	-	(1,640)	(153)
Interest and other expenses (income), net	2,523	(348)	1,619	1,283
Adjusted EBITDA	\$ (649)	\$ 33	\$ (66)	\$ (622)

