

## ***Ohh SNAP!***



*"Our advertising business was disrupted by changes to iOS ad tracking that were broadly rolled out by Apple (AAPL) in June and July." "While we anticipated some degree of business disruption, the new Apple-provided measurement solution did not scale as we had expected, making it more difficult for our advertising partners to measure and manage their ad campaigns for iOS."*

*CEO SNAP / Evan Spiegel.*

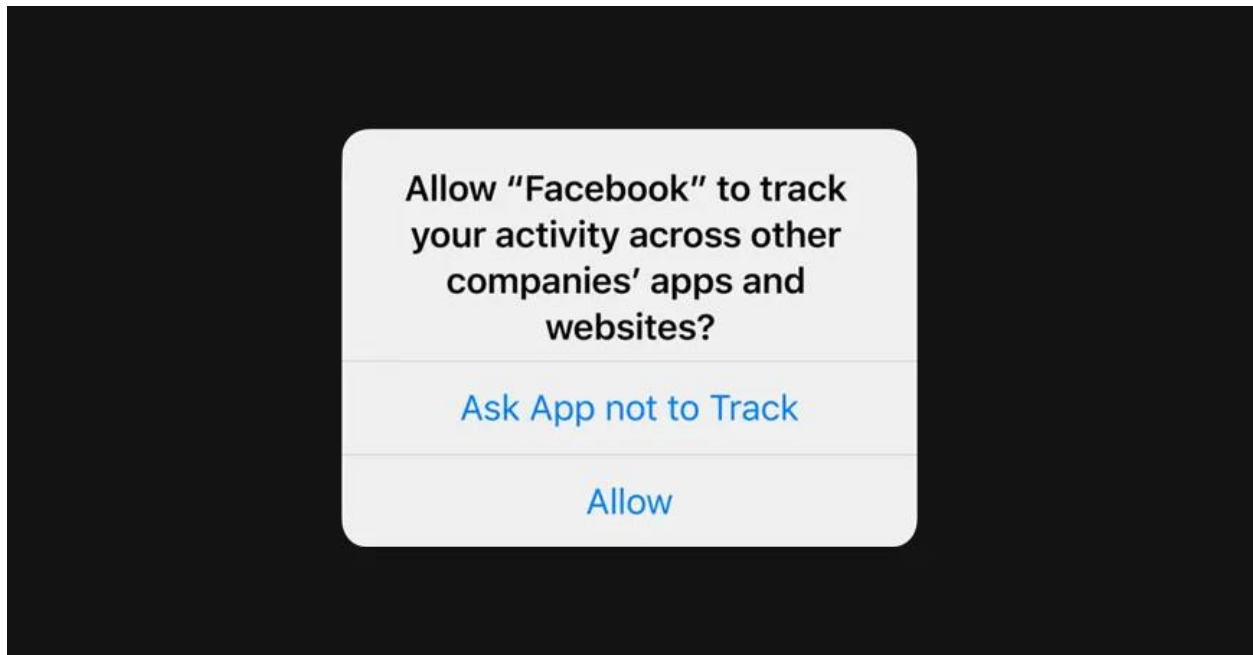
*A quick update on the news around [SNAP](#), as many of you, reached out to me directly on this.*

*Here is a summary as you sip your morning coffee.*

*On Friday, [SNAP](#) (SNAP) was down [30%](#). Why? This is primarily due to changes in the [Apple](#) (APPL) ecosystem that prevent them from using iOS data to target consumers, the result is having an adverse impact on their advertising revenue while simultaneously increasing their cost per user acquisition. I have [pounded](#) the table about this for quite*

some time, but a few points as to why this is good for [Reclaim](#) ([MYID](#) / [MYIDF](#)) and what to expect moving forward (spoiler - it's just getting started).

For those of you that have an Apple device, I suspect you have seen the screen below many times over the past few months as you open the various applications on your device:



What does this mean? This image is Apple for the first time, giving users a choice as to whether they want to be tracked by the applications on their phone, tablet, or smart TV. Prior to this, all of these applications were tracking you by default. Note: The average number of applications on a single device is 40. Let that simmer for a second. 40 companies have been drawing data from your device without your consent, multiplied by the entire time you have had a smartphone. Grrr.

This is a pivotal moment for the data industry as well as Big Tech primarily because when asked, [+90%](#) of consumers chose **NOT** to be tracked. Repeat +90%! Every time you say no to the above, there is less data (#supply) in the market. To put this in perspective, there is an [estimated](#) 1B people who use an iPhone worldwide and Apple represents 50% of the handset market in North America.

It's about to get worse. Currently, only [22%](#) of users on iOS have upgraded to the most recent version of iOS 15 which forces the prompt above. So while companies like [SNAP](#) and others are seeing issues with iOS now, just wait until that 22% becomes 100%. When will that happen? Likely around Christmas when everyone unwraps their new device under the tree. When that happens, the 1B users or 50% of the handset market in North America will become a ghost with zero data leaking from Apple. Happy Halloween.

Follow the breadcrumbs here as this is the canary in the coal mine that few really understand. How does the entire \$400B data market that **REQUIRES** data tracking to operate function when 90% of the people that provide the raw input to power this \$400B market **DON'T** want to be tracked and now have a method to opt-out? What could possibly go wrong...

The media's commentary on SNAP is a bi-product of this removal of tracking and you are now starting to see this manifest in the earnings of Big Tech. SNAP was first but you will see in the coming weeks earnings from all of these firms - [Facebook](#) (FB), [Twitter](#) (TWTR), [Pinterest](#) (PINS), etc - all saying the same thing. *"We are adjusting our revenue down due to changes in Apple"*. Smile when you read that because as an investor in Reclaim you are sitting on the world's biggest data hedge as every company that has a dependency on this data is going to be required to find a new supplier to help them mitigate this risk. Reclaim can be that supplier. Why? Because we have the scale, the distribution and we don't have the dependency on the identifier from Apple that others do.

Enjoy the weekend

N

# Who Else Is Exposed?

This is not an exhaustive list but below are a few to keep your eyes on.

Facebook ([FB](#)), Pinterest ([PINS](#)), Twitter ([TWTR](#)), Google ([GOOG](#)), Criteo ([CRTO](#)), Trade Desk ([TTD](#)), EQ ([EQ](#)), Activision ([ATVI](#)), Electronic Arts ([EA](#)), Match Group ([MTCH](#)), Pubmatic ([PUBM](#)), Magnite ([MGNI](#))